United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

Vol. 142 WASHINGTON, MONDAY, JANUARY 22, 1996 No. 7

Senate

The Senate met at 12 noon, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, who calls strategic leaders to shape history, we pray for the women and men of this Senate. Once again, today, may they feel awe and wonder that You have chosen them through the voice of Your people. May they live this day humbly on the knees of their hearts, honestly admitting their human inadequacy and gratefully acknowledging Your power. Dwell in the secret places of their hearts to give them inner peace and security. Help them in their offices, with their staffs, in committee meetings, and when they are here together in this sacred, historic Chamber. Remind them of their accountability to You for all they say and do. Reveal Yourself to them. Be the unseen friend beside them in every changing circumstance. Give them a fresh experience of Your palpable and powerful spirit. Banish weariness and worry, discouragement and disillusionment. Often today may we all hear Your voice saying, ''Come to me, all who are weary and heavy laden and I will give you rest.'' Lord, help us to rest in You and receive the incredible resiliency You provide. Thank You in advance for a truly productive day. In the name of our Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, there will be a period for morning business until the hour of 1 p.m. We will not have any rollcall votes during today's session. I am not anticipating any rollcall votes for the remainder of the week. If a rollcall vote becomes necessary, ample notification will be given to all Members.

We will, obviously, turn to any matters we can clear by unanimous consent on the Legislative Calendar. There will be a continuing resolution coming over from the House on, I believe, Wednesday of this week, and it is my hope that we can dispose of that by consent. If not, we would have to give Members at least 24 hours' notice on each side. I am not certain how many Members plan to be in town this week. Many are back in their States doing official business. But the continuing resolution expires Friday, January 26. Therefore, we need to act on it before that date.

It is also my understanding that the Presiding Officer would like to bring up this week the conference report on the Defense authorization bill. Again, it is our hope that if that does come up, as I understand it, it now has bipartisan support. The conference report has been signed by Senators NUNN and KENNEDY on that side and by all the Republican conferees, as I understand it. It is our hope that if that comes up, it can be done by consent. If not, we would either have to postpone that vote or give our colleagues notice, because we have indicated we would do that, and we will follow through on that.

THE SENATE RETURNS TO SESSION

Mr. DOLE. Mr. President, we do return to session today ending a recess that began on January 10. Much of what has occurred across America these past 12 days has to do with the weather. I know all Senators join me in saying that our thoughts and prayers are with all those who were victims of ''The Blizzard of '96.'' One of the hardest hit States was Pennsylvania. I saw Governor Ridge on television this morning expressing his concern that the Federal Emergency Management Administration has not been as helpful as Pennsylvania had hoped. I understand that is being worked out. I hope it is, and I hope FEMA does their usual good job, as they have in the past. We will follow that closely.

I would expect that once Federal officials look at the devastation caused by the flooding, they will provide the necessary assistance. I know the Senate stands ready to work with our Governors and with the President to ensure that that occurs as quickly as possible.

Not only was much of America frozen this past week and a half, but so, too, were the negotiations for a balanced budget. We do have from the President, finally, a certified CBO balanced budget. But I must say to my colleagues that, unfortunately, if you take a close look at that budget—and I commend the President for submitting it—much of the savings do not take place until the next century. This is 1996. If the President were reelected, he would be long gone before most of the savings in the discretionary spending occur. Ninety-five percent of the savings in the President's proposal in discretionary spending occur in the last 2 years, 2001, 2002.

We were concerned about our budget because we think ours is a little bit backloaded, but I do not believe, knowing the Congress as I do, that it would be possible for the appropriators to do that much cutting in the final 2 years. Ninety-five percent of $295 billion would have to be done in the last 2 years.

So it seems to me that there is still some glimmer of hope that we might come together on a balanced budget agreement. It is not that we have not

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Printed on recycled paper.

tried. We have spent over 50 hours and, as far as I am concerned, everyone was there in good faith. The discussions were long, frank, and candid. In fact, I read about a lot of them in the Washington Post. If I had missed all the meetings, I would have known all about them because they were fairly accurate renditions of what happened. It was in four installments. It did not have everything in there, but almost.

I think the basic problem is just this fundamental difference we have on each side of the aisle on the role of Government and giving power back to the States, letting the Governors and legislatures, whether it is on welfare or Medicaid, make the decisions, and whether or not we should have tax cuts for families with children—not for the rich, but for families with children. I must say, in that area both the President and the Republicans have a tax credit. So it is not that we think tax credits are bad. We cap ours. The President caps his. We are trying to get the package together. We also know we are not going to be successful unless we deal with entitlements. Everybody will recognize, including the entitlement commission, which was chaired by Senator KERREY of Nebraska and Senator Danforth of Missouri, who recognized that entitlements were out of hand and needed to be addressed. If we do not do something to preserve and strengthen Medicare, it is going to be in real trouble in a few years.

So if there is movement—again, I say this without any criticism—I think the movement has to come from the President. We have indicated many, many times that we have moved substantially on the Republican side, whether it was on Medicare or Medicaid, or whether it was the earned income tax credit, or whether it was tax reductions. All those four programs we put in a little box and we have indicated how much we have come in the President's direction and how little he has come in our direction.

So if there is to be an agreement—and I say it as fairly as I can—I think the President needs to make a response. Until that happens, I do not see any real reason to sit down for additional meetings. There is still an opportunity and still some glimmer of hope, as I said.

With reference to the continuing resolution, which is currently funding Government, it does expire at the end of this week. I do not find much support, as I travel around the country, for another Government shutdown. We can point our fingers at the President for vetoing three major appropriations bills, which would have put nearly every one of the workers back to work. He can point his finger at us saying we permitted the Government to shut down.

I think the American people really do not understand. They do not like it. I know the Federal employees do not like it, and others do not know why we pay people for not working, although in this case the Federal employees were willing workers and were prepared to go to work.

Our response this week is clear: Keep faith with our principles and keep our word to the American people and also to keep faith with Federal employees who should not be the pawns in this game, I think, as the Washington Post said in an editorial 2, 3, or 4 weeks ago.

That is what we have coming up this week. The President will address the Congress and the American people tomorrow night on the State of the Union. I think I will respond to that. I think that will happen.

Then, as far as I know, if we can work it out, there will be no votes the remainder of the week. We will let Members know on each side. I will discuss this with the Democratic leader, Senator DASCHLE. Then we will also outline plans for the next week and the week after that as we go into February.

PROVIDING FOR THE STATE OF THE UNION ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Concurrent Resolution 39, submitted earlier today.

The PRESIDING OFFICER (Mr. GRAMS). The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 39) providing for the State of the Union Address by the President of the United States.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 39) was agreed to, as follows:

S. CON. RES. 39

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, January 23, 1996, at 9 p.m., for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

Mr. DOLE. I move to reconsider that motion, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for up to 5 minutes each.

AGRICULTURE CONCERNS

Mr. COCHRAN. Mr. President, one of the things that I learned when I was back in my State was that there is serious concern in the agriculture community about the failure to have a farm bill in place before this new crop season begins.

Already, farmers are having to make decisions about the kinds of activity that they will pursue on their lands this year, and without the guidance of the provisions as to agriculture programs from the Government, a lot are put in a position of having to guess and to simply operate on the basis of faith in the fact that Government might come to some agreement on agriculture programs sometime this crop year.

It was one of the casualties of the veto by the President of the Balanced Budget Act that we do not have in place now commodity programs to guide our agriculture producers in making their decisions. Lenders are reluctant to make loans for funds to begin the operations of this crop year without that same kind of certainty, as well.

What I am suggesting is that another high priority for legislative action, as soon as possible, in addition to the conference report on the defense authorization bill mentioned by our majority leader, is action on a farm bill, or action that will put in place some temporary arrangement for income protection, the other provisions that are usually found in commodity programs in the Agriculture Act.

One suggestion that I know is being discussed today among House and Senate Members is whether or not this continuing resolution that could come over from the House include provisions of the Balanced Budget Act as they pertain to the agriculture programs. That is something that is being discussed.

I do not know how that will come out in terms of trying to get bipartisan agreement. I support that. We have passed that twice now in the House and in the Senate. It was part of the Balanced Budget Act sent to the President. I hope we can come to some resolution of this. I urge the Senate and particularly those on our Committee on Agriculture to weigh in with their thoughts and advice and counsel on this subject so we can reach a decision at the earliest possible time.

We will put at risk, Mr. President, a lot of farmers all over the country—not just in my State but all over the country—who do not know what the program is going to be. Is there going to be a program? The Secretary says he will implement himself a rice program if no action is taken by the Congress. In my State, that is an important commodity. What is the program going to be? We do not know.

I think it is an obligation, and it would be a very serious act of irresponsibility if this Congress does not soon settle on a farm program for this crop

year, put it in place in the statute book, and let this agriculture sector of ours, which has become so productive and so important to our national pride, continue to flourish and to do so in an environment of partnership with the Federal Government to make sure that it continues to be a successful part of our national economy.

Mr. DORGAN. Mr. President, I came to the floor to speak about a number of issues. I ask unanimous consent to be allowed to proceed for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

FARM PROGRAM

Mr. DORGAN. Mr. President, the statement by the Senator from Mississippi is absolutely correct. I do not agree with the conclusion that we ought to include the provisions that were in the last Balanced Budget Act as to the next farm plan, but I certainly agree with him that this Congress owes a decision on what kind of a farm program we will have for the family farmers in this country—not just the family farmers, but especially for them—for the lenders, for the agribusinesses that rely on them. They need to understand as they head toward spring planting what kind of a farm program do we have in this country.

We did not enact a 5-year farm plan last year. There are a lot of reasons for that. We do owe them, it seems to me, a response; if nothing else, an expanded and accelerated debate now to try to figure out what we could agree on for a decent farm program. I support that, although the Senate will not be in session with votes for some days and some weeks, perhaps, so that may not be possible.

It will be my intention tomorrow to introduce a piece of legislation in the Senate to extend the current farm program for 1 year and provide some additional flexibility for planting decisions by farmers in that extension and, additionally, to provide forgiveness for some of the advance deficiency payments for those farmers who suffered a crop failure last year.

I do not necessarily think the best solution is to extend the previous farm program or the current farm program, but it is a solution that is preferable to doing nothing. I do believe we owe an answer to farmers, to their lenders, to agribusinesses and others, and I appreciate the Senator from Mississippi raising the issue.

All of us have a responsibility to work together to provide some certainty. My best guess is that the way to provide certainty at this point would be to extend the current farm program for 1 year, then during this year to have a substantial debate about what kind of farm policy we want in the future, for Republicans and Democrats to reach some consensus and agreement, and then move forward with it.

Again, I share most of the issues and concerns expressed by the Senator from Mississippi.

Mr. COCHRAN. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. COCHRAN. Will the Senator yield for a response?

Mr. DORGAN. I will be happy to yield.

Mr. COCHRAN. I appreciate the kind comments of the Senator from North Dakota. I just want to say, too, I agree with him that some changes are indicated. We just do not want the status quo. I think we can do better than the status quo. There is too much insistence on the status quo right now from the administration on a number of subject areas, vetoing a number of initiatives for change and for improvement of programs.

We have some very good improvements in the agriculture programs included in that Balanced Budget Act, and to just say that we are not going to consider that I think would be a big mistake. So I was heartened by the comments the Senator made about the fact that he would suggest in his legislation changes for more flexibility, for more sensitivity to the realities of the current situation in agriculture. We have had a lot of changes. We have had higher commodity prices in a number of areas. But we do need to get on with it.

I applaud the Senator and assure him that my interest, this Senator's interest, is working in a positive way to reach agreement so we can put it in place. I am glad he is going to introduce legislation along that line.

Mr. DORGAN. Mr. President, I have never indicated that I do not believe there are changes that are necessary. There are changes needed. The current farm program is frightfully complicated. It has the Government hip deep in trying to tell farmers where to plant, what to plant, and when to plant. We can have, in my judgment, a much better farm program that has much greater flexibility for producers.

I do not like the so-called Freedom To Farm Act in terms of where it leaves us after 7 years, because my fear is we are in a situation, then, where there is no safety net at all and when international prices drop and stay down, family farmers just get washed away. That is my major concern. But there are some aspects of the plan that was put in the reconciliation bill which I could support. Flexibility is one of them. So I hope we can get together and have a thoughtful debate and do this the right way. Republicans and Democrats can join hands here and reach a common solution.

A BUDGET COMPROMISE

Mr. DORGAN. I did want to mention a couple of other points on the floor today. This is a new year. It is January. I hope all of us have thought through some New Year's resolutions, one of which ought to be for all of us in the Congress, both in the House and the Senate, and for all of us on both sides of the political aisle, to see if we cannot, in 1996, solve problems rather than create problems.

It has been a year in which we have had shutdowns, threatened defaults, and chaos, and a year in which there were days when this looked a lot more like a food fight than it did serious legislating in the U.S. Congress. I think most of us coming back would believe it would serve the country's interests if there were less rancor, if there were a little more understanding, and if we turned down the volume just a bit.

It does not mean that these are not very important issues that are being debated. But it does mean you cannot, in a democracy, create a situation where you say, ''Here is the way we approach our legislative duties. You are all wrong, and we are all right.'' That does not make sense. That is not the way it works. One side is not all right and the other side is not all wrong. There are good ideas on both sides of the political aisle. But you cannot, in this process, say it is all or nothing, it is our way or no way, and we have seen too much of that in 1995.

Both political parties, in my judgment, contribute to the well-being of this country. I have said it a dozen times and I will say it again: The Republicans do this country a service by advancing and continuing to push on the issue of Federal deficits. The Democrats do a service to this country by saying, yes, let us balance the budget, let us deal with the deficit, but let us also worry about the priorities, let us worry about a program like Medicare, which is important to low-income elderly people in this country. Both sides do us a service. But we ought to, it seems to me, be willing to engage in more thoughtful discussion about how we get the best from each rather than ending up with the worst of both.

Most of all, we ought not be in a circumstance in January 1996, again, in which we see another Government shutdown. That, it seems to me, pokes taxpayers in the eye by saying to taxpayers, ''We are going to insist you pay for work that we prevent from being completed,'' and dangles Federal workers out there on the end of a string saying, ''You are the pawns in this dispute we have about the Federal budget.''

The majority leader talked about the budget debate. He did so, in my judgment, in very thoughtful terms. I just want to respond to a couple of points.

If you simply took the offers of the Republicans and the Democrats that were last laid on the table in these negotiations and said we will accept the least savings in each of these categories offered by either Republicans or Democrats, and just took the lowest amount of savings from each proposal, you end up in 7 years with $711 billion in savings. That is sufficient to balance the budget, if you simply take the

lower of both offers that have been laid on the table in the last meetings that occurred on the balanced budget.

We are not so far apart. But the major difference is over the tax cut, about $130 billion extra in tax breaks especially for upper income people. I am not talking about the lower tax cut for children. I am talking about the upper income tax breaks in the corporate welfare area and $132 billion in extra cuts for Medicare, Medicaid, and the earned income tax credit. That really represents the see-saw, the difference between the two positions in negotiations.

There ought to be a way to bridge that, and I hope there will be. I hope, in the next month or so, this issue will be put behind us and we will have balanced the budget and we will have balanced the budget with a plan that does it in the right way for this country.

FLAT TAX

Mr. DORGAN. Mr. President, in just a couple of moments I wanted to make an observation about the topic of the week last week, and I expect the topic for the next couple of months, that will generate a lot of interest. That is the so-called flat tax, or the ''Grey Poupon plan,'' I call it. The flat tax is a fascinating one. I call it that because it is kind of entertaining, always, for someone who comes from a small town of 300 people to watch a debate between millionaires and billionaires about who can propose a tax plan that will allow investors to get to a zero tax rate the most quickly.

We have the Armey plan, the Forbes plan, and some others. I just wanted to mention, in case people hear about flat taxes and they think, ''Gee, that sounds like a good idea, flat, curved, rolling hills, up or down,'' I mean, I do not know what the geometry of all of this is. But if you think that we should not allow a deduction for your home mortgage interest on your tax return, then you would really like the flat tax because the flat tax says you cannot deduct your home interest mortgage. If you think you ought to be required to take your fringe benefits, like your health insurance that your employer might provide and now start paying taxes on that, declare it as income and pay taxes, then you would really like the flat tax because that is what you would have to do. No home mortgage interest deduction, no charitable deduction, and they would take all your fringe benefits, add them up, and you start paying taxes on that income.

Then they say flat tax, except it is not flat. It is a tax that has a flat rate for those who work and a zero tax rate for those who invest. Here is the way it works. You go to work every day and work and you are going to pay whatever flat tax rate they talk about. But if you happen to have an enormous amount of money and your income comes from dividends and interest and you make $10 million a year in dividends and interest and capital gains, your tax rate is not flat, it is zero—zero. So it is not appropriately called a flat tax. It is flat for people who work and zero for people who invest.

That might sound good, I guess, if you are a millionaire or billionaire and you might debate, if you are a millionaire or a billionaire, about which plan gets you to a zero rate first. But, in my judgment, the more the American people dissect this they will understand more what Mr. Forbes and others are talking about, that they really want to say, if you work for a wage you pay an income tax, but if you get your money through capital gains or interest or dividends and get $10 million a year or $1 million a year or $50 million a year, guess what, you do not have to pay taxes in this country because you are going to get an exemption.

I tell you, I think our tax system is frightfully complicated. It needs to be radically simplified. But we do not need a plan that says, if you work you pay taxes, and if you invest you have a massive exemption. That is not a fair tax plan. They might call it flat, but it is flat and no tax, a flat tax and no tax, flat tax for those who work, no tax for those who invest. I think when the American people dissect it and take a good look at it, they are going to say, no, let us radically simplify the tax program, but let us have everybody pay a little something. If you make $10 million from interest, dividends, or capital gains, you pay a tax. Maybe it is flat, maybe it is not, but it seems to me everybody ought to contribute.

I find it interesting in this discussion that we always hear people say, ''Why should you penalize success?'' Whenever they use those terms, they all define success as someone who has had a capital gain or gets a dividend or interest. What about the success of someone working? What about someone who goes to work every day all year and takes care of his or her family and earns a wage; is that not success? Of course it is. Working is achieving success as well. Work, investing, managing, entrepreneurship, all of that is success. It is not just investment that is successful. Work is successful. Let us just make sure we have a tax system that recognizes that all of those folks in this country are successful.

We do not want to create a circumstance where we say America has an income tax, but it only applies to those who work for a wage. Those who are fortunate enough to have inherited $100 million or reached a position in life where they have $50 million and they collect $1 million or $10 million a year in dividends, they have decided that they do not have to pay taxes.

So I hope, as we think through this this year, that we will come to an understanding of what all these proposals are and how they affect various parts of this country.

Let me end where I began, Mr. President. I know that no one is waiting for time, and you have been generous with the time today.

I hope that all of us, no matter how passionately we feel about all of these issues this year, will decide that we can work together. We might have deep disagreements about a lot of issues. But democracy only works if all of us in this room decide to work together to try to bridge our differences. We can spend all of our time building walls, or we can spend some of our time starting to build bridges. It makes a whole lot of sense for us to tone down the rhetoric just a bit and have the deep disagreements and work through these things but start solving problems for the American people rather than creating problems for the American people.

I hope that at the end of 1996 the legacy will have been that we turned the corner and created a much more productive role in the life of this country than we did in 1995.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I may speak as in morning business for a few minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PRESIDENT'S BUDGET PROPOSAL

Mr. MURKOWSKI. Mr. President, I recently returned from my State of Alaska, where I had the opportunity to speak to our legislature in a joint session and visit constituents in Juneau, Anchorage, and Fairbanks.

Mr. President, what I heard from my constituents was, I think, best reflected in their inability to simply understand why we could not reach an accord on a balanced budget. We have seen from the administration several budgets come before the Congress. I think we all recall the first one that came before this body, which did not receive one vote, neither Republican or Democrat.

Subsequently, we have had a series of more than five budgets, until the administration has progressed to the point where they claim they have submitted a balanced budget. But virtually everyone is aware of the reality that the sixth and seventh years are where the Clinton cuts occur. As a consequence, I think it is fair to say that virtually everyone who analyzes that proposal finds it unrealistic.

It is unrealistic for two reasons. First of all, in the sixth or seventh year, whatever Members are in office clearly are not going to have the ability to make those cuts in just 2 years. Those are going to be draconian cuts,

and the political fallout, obviously, will make such cuts unacceptable.

The other realization, Mr. President, is that regardless of the outcome of the Presidential election, President Clinton will not be in office when those cuts arrive in 2001 and 2002. Nor will he bear any responsibility as a President in office.

So what the President has sent us is basically a proposal that amounts to a charade because, as you and I both know, if you are going to be realistic, you are going to have a proportionate reduction in each of those 7 years so you can reach a balanced budget in the seventh year. It just points up another instance where we will do anything or go to any length to ensure that we do not have to make the tough decisions up front, take the tough medicine and address the cure up front.

I think it is fair to say we all know from our own personal experience if we have a tough situation, you make the decisions early and do not put them off. That is just what has happened with the President's proposal, where in the 7-year so-called balanced budget, all the cuts are basically in the last year.

Now, Mr. President, we are going into a situation on January 26 where we will have to address the merits of reauthorizing the extension of Government to operate. And then, by probably in March, we will have to face the reality that we will have to increase the debt ceiling.

As we reflect in the extended debate and discussion in this country over the balanced budget on the one hand, and then find that in order to keep Government from being in default, when one thinks of the merits of that, the Federal Government being in default, by increasing the debt ceiling from the current authorization of $4.9 trillion, it really marks the reality of the seriousness of the problem.

Make no mistake about it, Mr. President: We are in dire straits. It is one thing to talk about the $4.9 trillion debt, which is the maximum debt ceiling; the other is to recognize we will be asked to increase that to $5.3, $5.4, or $5.6 trillion.

That is not the end of it, Mr. President. The realization is we have to pay interest on that debt, and the interest, Mr. President, currently is more than our annual deficit. Think about that. The interest on the $4.9 trillion is more than our annual deficit, and our annual deficit is a consequence of spending more than we generate in revenue.

A member of my staff is expecting a child in May. It is estimated that this child will inherit approximately $158,000 as his or her portion of that accumulated $4.9 trillion. Now, if we do not turn this thing around now, Mr. President, at some point in time it will be too late.

I know there are many Members here who feel very strongly that they are not going to vote for an increase in the debt ceiling unless there is a commitment from the administration to address a balanced budget that is attainable and that is real.

Mr. President, as we enter this week where the President will be giving his State of the Union Message, and as we enter this week, further, where we are asked to reauthorize an extension of Government because the continuing resolution is voted, I point out a few things relative to cause and effect, because when I was home there was concern about why Government was shut down and who bore that responsibility. Some suggested it was the responsibility of Congress alone.

I remind the President that this body and the House passed a series of appropriations bills. About 12 of those appropriations bills were passed, and the President vetoed about half of them. In vetoing, the President bore the responsibility of basically not funding those particular agencies. The consequences of this, Mr. President, are a difference of opinion between the administration and the Congress as to the adequacy or inadequacy of those various appropriations bills. To suggest it was all the fault of Congress is unrealistic. Congress did its job.

When you look at the vote on the welfare reform bill, Mr. President, I think it deserves particular examination because many of us assume that we have negotiated with the administration to a point that was acceptable. I think it passed this body, Mr. President, about 87 to 12. It is fairly significant that those on the other side of the aisle felt we had a pretty good bill, but the President saw fit, kind of in the dark of night, to veto that bill. One has to wonder just what the objection of that veto message was. I never did quite understand it.

Now, we have heard time and time again from the White House that this is the fault of an unresponsive Republican-controlled Senate and House who are proposing to balance the budget on the backs of the elderly and on the backs of the low-income groups, on the backs of children; it will affect education and it will affect the environment. Yet, the President's own members of his Cabinet, several members of his Cabinet, earlier did an evaluation of the Medicare Program and found that the Medicare Program would be in default, it would be broke, if it was not addressed at this time.

In 7 years we would not be able to meet our obligations with regard to Medicare. After an extended discussion with the leadership of both the House and the Senate, negotiations took place, and the only alternative available to address the runaway increase in Medicare was simply to reduce the rate of Medicare's growth. It had been growing at a rate of almost 10 percent. The agreement finally came down to reducing that rate of growth from approximately 10 percent to just under 6 percent.

How did the administration respond to this? ''Draconian cuts,'' they called it. But it was not a cut; it was a reduction of the rate of growth. Those recipients of Medicare would receive an increase this year over last year and next year over this year. Yet, the American people, the elderly and those dependent on Medicare, I think, were frightened by the misleading statements from the White House and the inability of the national media to address the alternative, Mr. President. The alternative was that if we did not reduce the rate of growth, the system would be bankrupt, and then what is the capability of the system to meet its obligation for those who are recipients of Medicare? That was simply excluded from the discussions, excluded from the conversations, and of course excluded from the wire stories, blaming the Republicans for this dilemma.

Mr. President, it has been said time and time again on this floor that this is the opportunity to redirect America, to reduce Government control, to reduce Government spending, and bring Government back to the people.

Now, the Republicans have dug in and said if we do not do it now, it probably will not be done. Our children and grandchildren are going to share the increasing burden. At some point in time, somebody will have to take that medicine, Mr. President, because as you go back and reflect on that 4.9 trillion dollars' worth of accumulated debt and the realization that we cannot afford to put this Nation in default, the only alternative is to reduce the rate of growth of that debt and that simply mandates a balanced budget.

That is what this is all about. It is redefining the direction of our Government to make it simple, to make it smaller, to make it more responsive, to put control back where it belongs, back to the States, back to the people.

I urge my colleagues as we address the significance of several events taking place this week that we keep our eye on our objective and the realization, Mr. President, that if we do not do it now, then the question is, When? If it is not now, it may be too late.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

(The remarks of Mr. DOLE pertaining to the introduction of S. 1519 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Utah.

KEMP TAX COMMISSION REPORT

Mr. BENNETT. Mr. President, last year, I delivered a rather lengthy speech on the issue of taxes. I talked

about flat taxes. I talked about capital gains taxes. I talked about the relationship of tax revenue to tax rates and mentioned at that time the work of the Kemp Commission that was studying all of these issues. In the time that we have been in recess the Kemp Commission has reported, and I wish to make a brief comment now, perhaps reserving the right to make a longer comment at some point in the future.

I salute the Kemp Commission for the work that they have done. I note with some degree of pride and satisfaction that in my statement on the floor I talked about four basic principles that should guide our tax system: neutrality, simplicity, stability, and fairness. In its report, the Kemp Commission incorporated all four of those but added a fifth that I wish I had thought of, and that is visibility. That is, they pointed out that people should know how much taxes they are paying. Taxes should be visible so that the average American will be aware of what is happening.

The Kemp Commission did another thing that I find salutary. They talked about the impact of payroll taxes on the lives of Americans. In all of our discussion, both here and out on the campaign trail, among those who are seeking the Presidency of the United States, the entire focus is on the income tax. I wish to talk a little bit about that this afternoon and point out the wisdom of the Kemp Commission's focus not only on the income tax but also on the payroll tax.

If you were to draw a line between all Americans at roughly 50 percent, you could with fairness say everyone above that line in terms of his or her earning power pays income taxes, and everyone below that line does not. Now, it is not exactly that clear, but roughly 97 percent of the taxes paid as income taxes are paid by people in the top 50 percent of our wage earners, which means that the bottom 50 percent of our wage earners pay virtually no income tax at all. That means then that if you focus all of your attention on the income tax and the various flat tax proposals that are out there, you are leaving out any kind of tax relief for roughly 50 percent of America's wage earners and that 50 percent that are doing the most poorly in terms of the amount of money they are bringing home.

Now, let us talk about the tax burden of the payroll tax on that bottom 50 percent. Some will say, well, the payroll tax is only 7.5 percent or some such number, depending on where you fall. It may be a little more when you add the Medicare taxes to it. The other is paid by the employer. The fact, of course, is, Mr. President, all of that money is paid by the employee. I have run a business. I know that when the time comes to decide whether or not you are going to hire a new employee, you look at the total cost of that employee. If this is an employee that is going to be earning $20,000 a year in pay that shows up on that employee's W–2 form, you as the employer know that he is actually going to cost you $30,000 a year because you have to pay these payroll taxes, unemployment compensation taxes to the State, Medicare taxes, et cetera, on behalf of that employee. So you never think in terms of a $20,000 employee. You think in terms of a $30,000 employee.

That means that in order for you to hire him, he has to produce at least $30,000 worth of economic benefit to your firm. If he cannot generate at least $30,000 benefit to you, you cannot afford him, even though his paycheck stub shows that he is earning $20,000. So if he is earning $30,000 for your company, clearly the employer's share is really money that he has earned and it is deposited in his name in the various trust funds that are set up around here to handle the entitlements.

So that means in the economic value that employee is generating not 7.5 percent, 8 percent, whatever is taken out of that value for taxes, but twice that amount—the amount he puts in and the amount the employer puts in in his name. This means that for our lowest paid workers in this country, they are sending to Uncle Sam and to State legislatures and State tax collectors approximately 25 percent of the gross economic value that their earnings represent—25 percent. Yet none of that is dealt with when we are talking about income tax reform because none of those payments are income tax payments.

What are they for? It is interesting, the debate we are having on the floor about slashing Medicare—I should put ''slashing'' in quotation marks because, of course, everyone knows that every proposal dealing with Medicare proposes increasing the spending on Medicare—but in all of this discussion about Medicare, where does the money come from? The money going into Medicare does not come from the income taxpayer; it comes from the payroll taxpayer.

It is payroll taxes that support the Social Security trust fund, so when Ross Perot starts to draw Social Security, on top of the benefits and blessings that he has by virtue of being a billionaire, that will be paid for by someone in the lowest half of the earnings scale making his or her payroll tax contributions to the Government every pay period.

That is why I say it is salutary that the Kemp Commission not only focused on income tax, but spent some time talking about the payroll tax, saying that the payroll tax should be made deductible for the individual as it now is for the corporation or the employer.

Yet there is a problem with that, Mr. President, because, as I say, it is only the top 50 percent that pay any income taxes at all. So, if your payroll taxes are deductible from your income tax but you are not paying any income tax, the deductibility of payroll taxes, while a nice concept, does not do you any good.

So, Mr. President, on this occasion I rise to commend the Kemp Commission for the work they have done. I think they have done a first-class job of opening the debate and laying out basic principles. I rise to commend them on their adoption of the five basic principles: that taxes should be neutral, simple, stable, fair, and visible. I rise to commend them on their opening wedge, if you will, on the issue of fairness of payroll taxes.

But I make the point that we have in fact just opened the door to deal with payroll taxes, and, if we are going to truly start with a clean sheet of paper and build a tax system in this country that makes sense, we are not only going to have to toy with the idea of abolishing the IRS and the present income Tax Code, we are also going to have to address the question of what we do about payroll taxes that have become so burdensome and, in many ways, so unfair in the way they operate in the lives of the people who live below that center line that divides the income taxpayers from the other half of the country.

This, I think, is perhaps the source of greatest anger on the part of people who recognize that the tax burden is crushing and unfair, and they feel a sense of helplessness as they deal with it.

If you are a person living below that 50 percent line, you have absolutely no options. If you are above the 50 percent line and someone comes along and changes the tax law, you are earning enough money that you can change your behavior to take advantage of the changes in the tax law.

I pointed out here on the floor before a study by Dr. Feldstein—and it has been placed in the RECORD—that the tax increase supported by President Clinton and pushed through the Congress in 1993 has in fact produced only one-third of the amount of revenue that was promised at the time it was formed.

Why? Clearly because the people in the top 50 percent changed their behavior in reaction to that bill, did other things with their money, and avoided paying taxes, an activity which the Supreme Court of the United States says is perfectly appropriate and legal. Tax avoidance, they have said, is not illegal. Tax evasion is. That is a different thing. But changing the way you handle your money to avoid taxes has become a time-honored American activity.

The bill was passed on this floor. President Clinton signed it with great fanfare. ''Now we're going to get this additional revenue to deal with the budget deficit.''

The study by Dr. Feldstein says they only got one-third as much revenue as they projected. That makes the people who live in that top 50 percent feel kind of smart that they were able to do different things with their investments and avoid the taxes. But the people at the bottom 50 percent have no such options. Their taxes are entirely payroll

taxes. If they get a raise, their taxes go up automatically because it is a percentage of everything they earn up to the level in which they can cross the line into the top 50 percent. That is where much of the anger is coming from. That is where much of the frustration is. And, frankly, it is appropriate anger and frustration.

So I hope as we deal with this issue in our debates here on the floor, we will include, as I have not done but the Kemp Commission has opened the door for us to do, the people in the lower 50 percent as well as the people in the upper 50 percent.

Mr. President, it is very clear we will not have a structural reform of the tax system in either area, income taxes or payroll taxes, in this Congress. We do not have time for it. The Finance Committee calendar is jammed. We have long since learned that this kind of legislation is very complex and requires a great deal of study and work. All we can do is open the dialog, begin the debate in this Congress, and look for the time in the next Congress when we will have an opportunity for genuine tax restructuring.

I was asked by a newsman today, will we have serious restructuring of the tax system in 1997? Well, my crystal ball is as cloudy as everybody else's. I cannot make a prediction of that kind with any sort of accuracy. But I did make this comment, and I repeat it here, debate over the tax structure, I believe, will be a central issue in the 1996 Presidential and congressional campaigns. It will become one of the defining issues in that debate.

If I may, should the Republican nominee prevail in the 1996 election, then a serious attempt to restructure the tax system will indeed begin in January 1997. Should President Clinton prevail in the elections this fall, then I believe that conversation about restructuring the tax system will remain conversation and nothing will happen beyond that which we have seen for the last 40 years, which is tax reform by name, tinkering around the edges, in fact, with the basic tax system that we currently have remaining intact, except for those marginal changes for the remainder of President Clinton's second term, should he receive one.

This is a fundamental issue. We have a tax system now that is clearly unfair, that has spun out of control to the point where it is unpredictable in terms of Government policy and which creates tremendous antagonism and anger on the part of the citizens who are subjected to it.

The time has come to begin the serious debate of restructuring it, top to bottom, not just income taxes, but also payroll taxes. And while we are at it, we might as well look at the user fees we charge and the tariff structure.

Let us take a completely clean sheet of paper for every way in which the Government raises revenue and see if we are not smart enough, as we look forward to the next century, to put together a system that works better than the one that was crafted roughly 70 years ago.

So, Mr. President, again, I commend the Kemp Commission for the contribution that it has made in prying open these issues and the principles it has laid down and look forward to the time when we can have this debate through this Congress, and, as a partisan, if I may say so, I look forward to the time when a new President will help us tackle this in a very serious legislative way in January 1997.

I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. KYL. Mr. President, I would like to begin by complimenting the Senator from Utah for presenting, I think, a very erudite discussion of the need for revisions in our tax policy and for his comments on the so-called Kemp Commission for the report which it released last week.

I think he indicated the reasons why it is time to begin this debate. I will not repeat those. But he also showed his extensive knowledge in the area, and I appreciate the experience and the expertise which he brings to the Senate on this important topic and look forward to his continued counsel as we debate these issues during the next year and, hopefully, begin actual legislative work in fundamentally changing the Tax Code beginning in 1997.

I thank the Senator from Utah.

Mr. BENNETT. Mr. President, if I may, I thank the Senator from Arizona for his kind words.

FUNDAMENTAL TAX POLICY AND BALANCING THE FEDERAL BUDGET

Mr. KYL. Mr. President, let me discuss in the context of the budget impasse, with which we are currently faced, both the Kemp Commission report and a few items with respect to this budget impasse, because, frankly, they represent two sides of the same coin. I do not think we have adequately identified the relationship between fundamental tax policy on the one hand, as addressed by the Kemp Commission, and on the other hand our efforts to balance the Federal budget. There are some people who spend, I think, most of their time focusing on the need for a balanced budget, and that is important, but that is only half of the equation. The other half is the revenue side of the equation.

As we, as families, look at how we can continue to sustain our standard of living, to pay our bills, to make sure we come out right at the end of the year and to make decisions with respect to savings and investment, we really look at two separate things.

First of all, we look at how much income we are making in the year, and then we also look at how much we are going to spend. Much of the balanced budget debate, Mr. President, has focused on the spending side at the Federal level, watching our pennies, how can we reduce the growth in spending each year, how can we begin to save money at the Federal Government level so that we get our budget into balance. We are focused on the savings side there, primarily.

We also need to focus on the revenue side of it. For those of us who do not support new tax revenues, tax increases, we look at what kind of fundamental changes might not only produce a simpler and fairer tax system but also one which, ironically, might bring in more Federal revenue without raising taxes.

One thing that the Senator from Utah did not mention but I know he knows is that for the last 40 or 50 years, whether we have had Republicans or Democrats in power, war or peace, good times or bad times economically, the Federal Government has collected about 19 percent of the gross national product in revenues to the Federal Treasury. In other words, what the American people are willing to contribute to the Government has remained virtually static as a relationship or percent of the gross national product or the gross domestic product. The reason is, as the Senator from Utah pointed out, because people make changes in their behavior to adjust to tax policy.

When the Government decided to collect more revenue on raising the luxury tax on yachts, furs, and cars, it did not bring in more revenue, it brought in less, because people adjusted their behavior and they stopped buying the fancy fur coats and the yachts. The result was, not only did the Federal Government lose the revenue they made before, they did not make more revenue. People lost their jobs and paid less in the way of taxes.

So changing tax rates up has not produced more revenue. By the same token, as John F. Kennedy learned in the early 1960's and as Ronald Reagan confirmed in the 1980's, a tax cut can actually produce just as much revenue as a higher level tax rate, because when tax rates are reduced, let us say capital gains tax, for example, the commercial intercourse which raises the money increases to the point that even with a lower rate, the Federal Government makes the same or more revenue. It is a lot like a sale at the holiday time. The retailer does not intend to lose money when he puts all of his items on sale. He knows he will make up in volume what he may lose in terms of the price for each particular item. That is much the way with tax rates. So we know reducing tax rates can actually produce more revenue.

As we begin to look at how we are going to fundamentally revise the Tax Code, as the Kemp Commission did, I think we can anticipate that we can produce as much or more revenue with lower tax rates than is currently being produced with our current rates.

That is why the Kemp Commission concludes that if we can provide for a simpler and fairer single rate kind of tax, and if we can eliminate, as it recommends, the tax on estates, the tax on capital gains and provide a deduction for the payroll tax, it is likely that the economy will grow substantially and that we can, in effect, at a relatively low income tax rate produce at least the same amount of revenues.

That is why I think it is important, Mr. President, as we look at the opportunities for growth and economic expansion in the future, that we not just focus on balancing the Federal budget. That has been pretty much what we have been talking about in the last 3 or 4 months in the House and Senate, but it is really only half of the equation. The other half is how we can continue to produce at least as much revenue with lower tax rates, a simpler and fairer tax rate structure. I hope that debate will continue throughout the Presidential campaigns and actually take root in the congressional action that we will engage in in the early part of 1997.

I said I want to talk about both subjects, because we not only have the issue of the Kemp Commission report and what it begins in terms of a debate—and I think that will dominate much of the Presidential campaign—but we also have the probable failure of the budget negotiations, and I want to present the second half of my remarks on that point.

I think it is very unlikely now that there will be a budget agreement, because the congressional negotiators have conceded about all that they can concede, as a recent article in the Wall Street Journal noted, and the President has come very little distance toward the Republican position, with the result that it is not likely that there is going to be a successful conclusion to the budget talks.

What does that mean for America for the next year? Why is it so important that we get to a balanced budget, that we do that in 7 years using honest numbers? What do we give up if we do not do that? And what are some of the myths that surround this debate?

I think it is important for us to understand that, because then as we begin to point fingers of blame—and inevitably that will happen because we are not going to have a budget deal—at least our colleagues and the American people will appreciate the direction in which that finger ought to point.

It will not come as any surprise that I think that finger needs to be pointed at the President. I am hoping if enough public pressure is applied to the White House that the President might relent and actually sit down and seriously negotiate with the Speaker and the majority leader. That really has not occurred up to this point.

As the Wall Street Journal article noted on January 10, the Republicans have moved about $390 billion toward the President's position. He has moved about $8 billion further away from our position. The net result is about a $400 billion movement by the Republicans and very little movement by the President.

So as I say, that represents very little opportunity, it seems to me, for a negotiated settlement at this point unless the President is willing to sit down and say, ''All right, you met me halfway, now I'll do the same.'' From the President's rhetoric, it does not appear he is willing to do that.

So what is the consequence of not reaching a budget agreement this year? First of all, the four or five key areas of reform, of policy, which are embodied in the budget will not be translated into public policy, into legislation and, therefore, America will forgo the benefits of those policy changes over the course of the next year, and depending upon how the elections, perhaps for a long, long time.

The President campaigned saying he would like to end welfare as we know it. The Senate passed a bill ending welfare as we know it with 87 votes, with Democrats and Republicans alike supporting welfare reform. Yet, the President vetoed the bill. So failing to arrive at a budget agreement will mean that we will not have reformed welfare and we will extend for another year a system which most people in this country believe is broken and is desperately in need of fixing; we will not have made the fundamental changes necessary to preserve and strengthen and save Medicare. Again, almost all of us recognize the need to do that, including the President. His ideas are, in many respects, not substantially different from ours. Nonetheless, he says that that is veto bait, and he does not support our fundamental reform of Medicare in order to save that program and keep it from going bankrupt, which his own trustees say will happen within the next 7 years unless we take action today.

We need fundamental reforms like more choice to be offered to seniors, such as the Medisave account, physician-hospital networks, and other things, creating products, creating competition, and keeping the costs down. That is another consequence of the failure to reach a budget agreement.

A third area is Medicaid. My State of Arizona has handled the Medicaid Program through a program it calls Access from virtually the very beginning, through waivers from the Federal Government to provide for managed care for those needy in our population that qualify for Medicare. Yet, this fundamental change will also fail to be put into effect. We will not be block granting the Medicaid funds because that is part of the overall budget reform.

A fourth area is in the area of tax relief for working families. Again, the President had assured the American people that he wanted tax relief for working families. We provided for that in our budget. The CBO said we can do both tax relief and balance the Federal budget in 7 years. Yet, that, too, remains a substantial area of disagreement between the White House and congressional negotiators. So this, too, will fail to take place.

Now, what does that mean? The President has been fond of saying that the Republican plan is a ''tax cut for the rich.'' Here is one thing that it means. The $500 per child tax credit means that in the State of Arizona over 47,000 low-income taxpayers will not have to pay any more income tax because that $500 child tax credit is just enough to take them from the position of taxpayer to the position of being able to deduct enough not to pay any taxes. It is about 3.5 million people in the United States. A tax cut for the rich, when 3.5 million low-income families in this country will literally have their income tax liability eliminated as a result of the Republican tax relief? That does not sound like tax cuts for the rich to me, Mr. President. That sounds like Republicans trying to do something for the low-income people in this country, who have children and who can really use that $500 child tax credit.

In fact, about three-fourths of the tax relief benefits go to families making less than $75,000 a year. With two-income families in this country today, I do not think there are a lot of people in this country that think if you are making $75,000, you are necessarily rich. In any event, about three-fourths of the benefits go to families making less than that.

I think, too, most people realize that since, as the Senator from Utah was just pointing out, the wealthy in our society pay most of the taxes, it is pretty hard to design a tax relief program that does not benefit those who pay most of the taxes, and that is the wealthier in society. Is that bad for people that are less well off? No, because it takes capital and it takes money to invest in our free enterprise economy in order to promote growth in businesses, to provide job opportunities. That is what John F. Kennedy referred to when he said that ''a rising tide lifts all boats.'' In other words, if you have the entrepreneurs, capitalists who can create a business and provide job opportunities, that helps everybody, including those looking for a job or greater job opportunities.

So if we fail to reach a budget agreement, we will have failed to reform welfare, Medicare, Medicaid, our tax structure, and the Republican plan will clearly help the poor in our society. Also, we will fail to create about 2 million jobs, which is the estimate that can be created by capital gains tax relief.

On the negative side, Mr. President, we will have consigned ourselves to yet another year of payment for more and more interest on the national debt—money that could be used to spend on other things. There will be $233 billion in interest payments on the Federal

debt this year. It is money that could be spent on job training, education, or medical relief for needy citizens, or even tax relief, or reducing the Federal debt. But, no, that is money that we have to pay as interest on the ever-increasing debt. It is a lost and missed opportunity. Yet, it is one more year we will have to make those kinds of payments.

It also means something else. My grandson, Jonathan, was born last year and, in effect, we handed Jonathan a credit card and said, ''You owe $187,000 to the Federal Government.'' That is how much he is going to have to pay in his lifetime to just pay the interest on the Federal debt that exists today. It does not count what he will have to pay for defense, Medicaid, Medicare, Social Security, education, or anything else. The debt is even getting bigger. That is just what he owes today as his share of interest on the national debt. It is not fair to Jonathan or our other two grandchildren, or all of the children and grandchildren in this country who, in effect, are being handed the credit card bill for what we run up in obligations.

We also know that we are missing out on a wonderful opportunity that we can begin to pocket, literally beginning tomorrow. There are an awful lot of people in this country who have home mortgages, a student loan, or a car loan, and who appreciate what interest costs them. By most experts' analyses, if we are able to pass a balanced budget in the next 7 years, interest costs will go down at least 2 percent. One of the estimates is about 2.7 percent. DRI-McGraw/Hill, one of the economic forecasters, provided data to the Heritage Foundation, which made estimates. According to the estimates, that kind of rate reduction would, in my own State of Arizona, save the average Arizona homeowner about $2,655 every year. The average home mortgage in Arizona is a little over $98,000. Therefore, that kind of an interest rate reduction would save over $2,600 for the average Arizona homeowner. That is a lot of money, Mr. President. For the average student loan, it is like $547 in my State. This is money in your pocket, money that you would not have to pay if the Federal Government can balance the budget, because interest rates would go down if we do that. When interest rates go down, it reduces everybody's cost of living.

Lawrence Lindsey, one of the Federal Reserve Board Governors, said, ''We can bring interest rates down to where people today could have 5.5 percent mortgage loans like we used to have.'' My first mortgage loan was 5¾ percent. That may tell you how old I am, but it may also suggest what would happen because that is about 2.5 percent below where you could get a 30-year fixed-rate home mortgage for today. Think about what that would save in terms of money.

So we are forgoing a tremendous opportunity for a higher standard of living, beginning today, beginning tomorrow, if we cannot commit to a balanced budget over the next 7 years. That is why, Mr. President, I think it is a very sad and disappointing thing that the President has not been willing to negotiate in good faith with the congressional Representatives. We are trying very hard to get him to commit to some of these fundamental reforms and agree to a 7-year balanced budget. We are forgoing so much that would improve our lives and our children's lives. It is not fair, it is not right, and it does not support the values that the President purports to support and which we have all committed ourselves to here. I think that, as a result, it will be a very sad day if we finally conclude that we are not able to reach a budget agreement with the President.

In conclusion, Mr. President, as President Clinton gives his State of the Union speech tomorrow night—and I am sure challenges America to a greater tomorrow, since most of us believe that our best days are ahead of us as a country and as a people—and we respond, as I am sure we will, to a very positive message of the President, we also ought to be asking him what he can do to help today to provide a better tomorrow by sitting down and seriously negotiating with the congressional negotiators for a budget agreement that reaches a balanced budget in 7 years, which commits us to true welfare reform, Medicaid, Medicare, and tax relief for working families in America.

If we do that, we will truly be able to say that our best days are ahead of us.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCERN OVER FAILED BUDGET TALKS

Mr. SPECTER. Mr. President, during the course of the past several weeks, there has been an opportunity to talk to constituents at home to discuss the problems in Washington, DC, and, as many of my colleagues have reported, I have found great concern about the inability, the failure, of the negotiators to come to an agreement on the budget talks.

I urge the negotiators to continue to talk. As I have reviewed the details as to what has been undertaken, talking to my colleagues in the Senate and the House, talking to administration officials, it is my view that the parties are not too far apart. I believe that the absence of an agreement is a lose-lose situation for everyone in Washington. There is no real opportunity, as I see it, for political advantage, and the American people watch what goes on in Washington, DC, with amazement and frequently revulsion at our failure to come to some terms.

I go back to a wise statement made by the former distinguished Senator from Maine, Margaret Chase Smith, who said, ''We have to distinguish between the compromise of principle and the principle of compromise,'' and when we are talking about the budget issues, we are talking really about compromising mostly on a dollars-and-cents basis.

There are some structural issues which have to be addressed, and it is my sense that they can be solved as well, but we are not talking about first amendment issues, freedom of speech, or freedom of religion, so we are not compromising principle. We do have to have the principle of compromise and accommodation in Washington, DC, to come out of this matter.

As I look at the figures overall, the parties have come much closer together than they were at the original stage. With respect to Medicare, initially the conference report adopted by the Congress called for cuts in Medicare of $270 billion, with the administration at one point insisting that the cuts—rather it is not cuts, but it is a reduction in the growth of increase. That is a characterization which is very, very hard to avoid.

Before going further on that point, Mr. President, let me cite some statistics which are very, very frequently overlooked as too often the Medicare situation and the Medicaid situation has been characterized as proposals, especially by the Republican Congress, for cuts when the fact of the matter is that there are very, very substantial increases. What we are really talking about is slowing the rate of increase.

In fiscal year 1996, for example, Medicare expenditures will be $193 billion. These are figures from the Congressional Budget Office which have been rescored as recently as last month. After an expenditure of $193 billion in 1996, the figures are as follows: 1997, $207 billion; 1998, $218 billion; 1999, $229 billion; the year 2000, $248 billion; 2001, $267 billion; 2002, $289 billion. So that from 1996 until the year 2002, on Medicare expenditures it is projected to move from $193 to $289 billion for a 50-percent increase.

Similarly, in Medicaid, where there is frequently talk about cuts, there are, in fact, not cuts but there are increases. What we are dealing with is trying to slow the rate of increase. In fiscal year 1996, Medicaid expenditures totaled $97 billion; 1997, $104 billion; 1998, $109 billion; 1999, $113 billion; the year 2000, $118 billion; the year 2001, $122 billion; the year 2002, $127 billion, for a total increase from 1996 to the year 2002 of some 31 percent.

I think it is very important to focus on that basic fact. There are not cuts, but what we are talking about are ways to slow the rate of increase. As the negotiators have discussed the matters, they have come much closer together.

In the original conference report agreed to by the House and Senate, the rate of increase on Medicare would have been slowed by some $270 billion. The initial position taken by the administration was to slow the rate of increase by $102 billion. Now, in the most recent proposals advanced by the negotiators for the Congress, as recent as January 6, the figure is cutting the rate of increase to $168 billion, and the administration now talks about cutting the rate of increase to $124 billion. So the gap has been very, very materially narrowed. Originally, the gap was $168 billion. Now it has been narrowed to $44 billion.

Similarly, on cutting the rate of increase in Medicaid, the original conference report from the House and Senate placed the curtailment of the rate of growth by $133 billion. In the most recent negotiations advanced by the congressional negotiators, the rate of increase was at $85 billion, with the administration at $59 billion. So, there again, the figures are much, much closer.

Similarly, on the tax cut, the original conference report was at $245 billion. That has been reduced to $203 billion, with the administration at a tax cut of $130 billion, so that difference has been narrowed quite considerably.

When we talk about the objective of a balanced budget, we are talking about something which is really critical for the future financial stability of this country. That is an objective which is very important to reach and is worth an accommodation. When this body, the U.S. Senate, took up the reconciliation bill, this Senator was very concerned about a number of items in it and disagreed with the majority on many of the items. For example, it seemed to me that there ought not to be a tax cut at all. I took that position not because I did not want a tax cut, because I would very much like to see a tax cut. I favored the IRA's, the independent retirement accounts, when we voted them out, back in 1986. I would like to see a child tax credit. But at a time when we are seeking to balance the budget, it seems to me it is inappropriate, when we are asking so many Americans to tighten their belts, to talk about a tax cut for some Americans at the same time. It is my view that Americans are willing to have shared sacrifice and to balance the budget so long as it is fair. But when we are asking people, with the earned-income tax credit, earning about $20,000, to pay more taxes at a time when we are offering certain tax cuts to those who earn $120,000, then it is bad public policy, and it is very bad politics.

So that when many accommodations have been made and many of us have seen the reconciliation bill come for final passage, with many provisions that individually we did not like, nonetheless we supported that with a majority vote. After having voted against many of the individual items, I voted for final passage because I think the balanced budget is that important. I understand there are many in Congress, some in the Senate and even more in the House, who do not like the present arrangement and who want to have more by way of tax cuts and who want to have more by way of decreases in Medicare and Medicaid, on their rate of increase. But I believe that the balanced budget is so important that when the administration agreed to the balanced budget in 7 years with the Congressional Budget Office figures, that was the time to declare a victory, to say we will accept the deal, and then to work out the balance of the arrangements as best we could. But the core of the arrangement was in place. I believe we ought to do that yet. That ought to be our principal objective, to obtain the balanced budget within 7 years.

We are talking about structural changes in addition, but I believe that they are not well understood. After talking to key people in the administration as well as my colleagues in the Congress, going through these structural changes, it is my view that there can be a reasonable accommodation. I am in the process of putting together a side-by-side comparison, which I will share with my colleagues in the course of the next several days, with a suggestion as to what ought to be middle ground.

There is a philosophical difference between the block grants, where we give more authority to the States, and the categorical requirements, where the Congress of the United States establishes the rules and regulations. My own sense is that it is time to give more authority to the States under the 10th amendment, that the States are much closer to the problems than we are here in Washington, DC. I am going to talk about that in a few minutes under a separate topic on the problems of the disaster across the northeastern part of the United States, and especially my home State of Pennsylvania, why disaster relief could be much better handled at the local level than out of Washington, DC. But I think we see opportunities to do that, especially in the welfare line, where the Senate passed a welfare reform bill with a very, very substantial majority, and we had block grants on AFDC and emergency assistance and the jobs program into a single mandatory block grant. We had separate allocations for child care. We had the maintenance of the foster care and the adoption system which is retained as an entitlement. But I believe as we go through these lines one by one on the many considerations as to how we deal with the illegal immigrants, how we deal with children under SSI, addicts under SSI, teen mothers, how we deal with education under the student loan provisions and the direct lending programs, and what we are going to do with many of these structural matters, that there is middle ground. There is middle ground on allowing flexibility to the States on many of the items and retaining congressional control on specific requirements as to some others. But we are at this point very, very close and yet very, very far.

Last week on the Senate floor I made a few comments about the necessity to continue funding the Government with a continuing resolution without another threat of a shutdown on the Government, and that if, in fact, we are ultimately unable to come to terms on a budget agreement, that I believe today, as I articulated on this floor from this podium back on November 14th on the second day of the first shutdown, that we ought to crystallize the issues and submit them to the American people in the 1996 election. But the way to do business is not to have a shutdown of the Federal Government which makes the Congress and the administration really the laughingstock of the country.

At that time, I expressed the hope that we would not use the debt ceiling as a lever, as a blackjack, or as blackmail; that the full faith and credit of the United States is too important to be maintained, so that it ought not to be used to try to coerce concessions from the administration in the context of political blackmail; that the American people can well discern the difference between legitimate political pressure and what is political blackmail.

One of the illustrations is from the very famous statement by former Supreme Court Justice Potter Stewart about obscenity, saying that he could not define it but that he knew it when he saw it. Or I think of the famous statement by Justice Oliver Wendell Holmes that even a dog knows the difference between being kicked and being stumbled over. When there is inappropriate political pressure, when it is political blackmail by coercing the Federal Government, or political blackmail by attempting to have the debt ceiling as a hostage, the American people are well aware of what is going on. And although some in this body and some in the other body may have thought that there was political advantage to closing the Government, the American people responded with a resounding no.

With the polls showing that more people favor the President's handling of the emergency than the Congress, the figures were close. But with the Presidential advantage of 50 to 46—50 percent approved of what the President did, 46 percent disapproved—when it came to the Congress, only 22 percent approved and 78 percent disapproved. So that when we were really articulating bad public policy on closing the Government, we were articulating bad politics as well.

So it is my hope that we will not close the Government again, that we will have a continuing resolution which will maintain the status quo, difficult as that is, without cherry picking and trying to fix some programs that some may like better than

others, because once we get into that kind of a selection process, there will be no end to it. If the House sends us a bill financing programs which some of them like but eliminating programs that they do not like, when the issue comes to the Senate with our opportunity for unlimited amendments, we will never agree to that kind of cherry picking with financing programs that one group likes and eliminating all others; and that we will keep the Government going as it need be, crystallize the issue for the 1996 election, and not use the debt ceiling as political blackmail.

But most fundamentally, Mr. President, as I look over these complex charts and look over the figures, they are very, very close indeed. And even with the structural changes, there is middle ground available.

So it is my hope that the negotiators will continue talking. There is a bipartisan group of some 20 U.S. Senators evenly divided—almost evenly divided between Democrats and Republicans—who will seek to come to middle ground and to accommodate these differences of opinion, most of which boil down to dollars and cents, and structural changes themselves boil down to dollars and cents, remembering the foremost point that there is agreement on a balanced budget within 7 years with the real figures, the Congressional Budget Office figures; and we ought to declare victory on both sides, make it a win-win situation, and not try to achieve political advantage in the context where it is a lose-lose for all parties if we continue this stalemate.

But, as I say, to repeat very briefly, I intend to put before the Senate a side-by-side comparison showing how close we are on the figures themselves and on the structural changes.

EMERGENCY RELIEF

Mr. SPECTER. Mr. President, during the course of the past few days, I have been touring Pennsylvania looking at very, very extensive damage from the heavy snows and from the flood.

Earlier today I came from Harrisburg, where I was present with my colleague, Senator SANTORUM, looking over the tremendous damage which has been inflicted at several points from the swollen Susquehanna River. It is a very distressing sight. The walk bridge which spans the Susquehanna from Harrisburg over to the island has been destroyed in part. Many houses have been destroyed. My staff director of northern Pennsylvania, Tom Bowman, in Potter County, has several feet of water in his basement. His furnace is ruined. Appliances are ruined. And that is characteristic as well and has been going on over all of the State.

On Saturday early, I flew to Pittsburgh, where I met Pennsylvania Gov. Tom Ridge looking at the tremendous devastation and destruction which is present there. At Three Rivers Stadium, at the confluence of the three rivers in Pittsburgh, water was all the way up to the Hilton Hotel and was extraordinarily serious.

Later on Saturday, I saw the swollen Susquehanna in Wilkes-Barre, where some 100,000 people had been evacuated, and the flooding had spread through Pennsylvania, and what a very, very serious situation it is.

As of this morning, only 6 counties had been declared disaster areas in Pennsylvania, which I found just a little surprising. On Saturday, I talked to Mr. James Lee Witt, who is the FEMA national director. Mr. Witt was on the job and promised to have the emergency declaration promptly executed. And, in fact, it was done on Sunday morning, with some question, some misunderstanding, perhaps, about how fast the facts and figures got through. But as of this morning, only 6 counties had been declared a disaster area, and 19 counties were added. Yet, we do not have all the appropriate counties identified.

In western Pennsylvania, Beaver County, immediately north of Allegheny County, was not declared a disaster area. I can attest personally to the disaster there. Nor was Greene County so declared. It is important that those counties be extended, and that the Federal emergency relief be moved in there very expeditiously on temporary housing, on the grants that are available, on the low SBA loans which are available, and on the extension of unemployment compensation when people lose out on their work because of this flood damage.

I might share with you one factor as to how serious the situation is. I declared this with my distinguished colleague, Senator SANTORUM. But on the banks of the Susquehanna earlier today, Senator SANTORUM said that he hoped FEMA would be ''liberal.'' But I quickly modified that to ''moderate.'' There we have the ''L'' word from Senator SANTORUM. May the RECORD show a smile coming to the face of the distinguished Presiding Officer. But it is that serious that a call has been made for that kind of treatment by the Federal management corps.

As I have earlier today on some of the radio networks, I would like to repeat the 800 number which people can call for assistance. They can make application by telephone. It is 1–800–462–9029. I will repeat that. It is 1–800–462–9029, where applications can be made on the phone.

Yesterday, I also talked to Secretary of Transportation Peña, who has advanced $1 million for highway cleanup and bridge cleanup, and urged that a more realistic figure be assessed because of the tremendous damage done to the highways and bridges in Pennsylvania.

Last year, the Congress appropriated $6.4 billion largely for the earthquakes in California but also for emergencies such as are now plaguing Pennsylvania and many other States in the mid-Atlantic area where we sustained a snowfall 2 weeks ago today of 30 inches. In Philadelphia, it measured 30.7 inches. And then with the high temperatures last Thursday into the sixties, with the tremendous melting and flooding, there is a very serious situation indeed. So I urge FEMA and the Department of Transportation to take all action possible to bring relief to those people who are in need of emergency assistance.

I thank the Chair, and in the absence of any other Senator in the Chamber, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. I thank the Chair.

FLOODING IN PENNSYLVANIA

Mr. SANTORUM. Mr. President, I wanted to follow up the remarks of my senior Senator from Pennsylvania [Mr. SPECTER], and talk about the problems that we are having in Pennsylvania today. The first thing I wanted to do was make sure the record is very clear in my use of the word ''liberal.'' I suggested that FEMA be more liberal than what they have been to date, as of early this morning, in declaring counties in Pennsylvania eligible for individual assistance, for emergency disaster relief funds. I think that was an appropriate call given the fact that the Governor of Pennsylvania, who knows a little bit about the Emergency Relief Act that is in place here because he helped write it several years ago and knows it cover to cover, declared 58 of Pennsylvania's 67 counties disaster areas and was seeking Federal grant recognition for, if not all, certainly a great majority of those counties.

Senator SPECTER, I know, has been traveling the State extensively, as have I. We have seen the tremendous damage done by this heavy snowfall and subsequent quick melting and floods and then freezing again, causing ice jams and horrible damage on our Commonwealth's rivers and streams. We do believe that several more counties should be included in the list that are eligible for individual assistance, and obviously the process will commence to determine whether those counties and municipalities will be eligible for public assistance, for reimbursing municipalities and counties for the cost of cleanup and dealing with the problems of this horrible storm.

I understand that the senior Senator has already talked about how today James Lee Witt, the head of FEMA, has been up to the State of Pennsylvania and he has added to the list of 6 counties an additional 19 counties, bringing to 25 the number of counties that will now be eligible for some assistance.

We were in Harrisburg this morning. I know he mentioned we saw some of

the devastation on City Island, which is a recreational park in Harrisburg that is just literally covered with big boulders of ice and destroying all the public buildings there that I would say are relatively brand new. They in the last 10 years constructed a AA baseball stadium there that is severely damaged from ice.

That has really made this disaster a lot different because Harrisburg was hit back in 1972 with very severe flooding as a result of Hurricane Agnes. In fact, the mayor and others have been telling us that while the flood levels were not as high as Hurricane Agnes, although in some areas they were almost as high, the damage, they believe, actually will be more because of the ice. Literally, Senator SPECTER and I were walking around an area that was 5 feet underwater just 24 hours before, and sitting there all over the place were boulders of ice almost my size and probably bigger, with trees frozen to them. It was really a rather gruesome picture. You could actually see the water level because on the houses and the fences and on the trees you could see where the ice had frozen around the tree, around the houses, sort of jutting out from the houses. So you could pretty well tell everywhere where the water levels had risen to.

We were through that area and saw the damage that the ice had caused to streets and to houses, the buckling effect of having water there and then freezing and then unfreezing. It looks almost like an earthquake on some of the roads; they are just sort of warped, with big sinkholes and things like that as a result of this freezing and thawing and freezing again and the amount of water pressure.

In fact, Senator SPECTER and I met with Mayor Reed of Harrisburg, whom I have to commend; he has done a tremendous job in rallying the troops in Harrisburg, one of our hardest hit cities, and is doing an outstanding job personally. He is someone whom I have known for quite some time and know he puts every ounce of his person in his job. I am sure he has not slept for days. He met us in boots and blue jeans and looked like he had not been able to get into his house, probably even to eat a meal, in a few days. He has really just been on the go.

They had a horrible fire in this area I was talking about that was 5 feet under water. They had, unfortunately, a fire break out last night that destroyed four historic town homes. And luckily no one was injured. The area was evacuated obviously and no one was injured as a resident. But several of the firefighters, they had to cut their way through the ice and wade through water, waist high at that time, and fight the fire without obviously any fire hoses. They had to string them literally blocks to get fire hoses there.

My understanding is that a dozen firefighters were carried from the scene with hypothermia—a horrible situation. I know Mayor Reed was there the entire time working on it. He showed us the Walnut Street bridge, which is the oldest—I am not going to get this right—it is the oldest of some type of bridge having to do with metal construction. That bridge was expected to collapse during the 1972 flood when actually the river went up over the platform of the bridge.

In this case it was several feet below it. But a section of the bridge—you may have seen on television—was knocked away. The reason was not because of the water flow. Again, it was the ice jams. An ice jam had a large amount of ice collected at this one abutment, and eventually with all the pressure it was knocked over, was knocked into the river. They expect another one of those pillars to fall relatively soon.

So there has been a severe amount of damage. Senator SPECTER and I are very concerned about the Federal response to the damage across Pennsylvania. We believe that in some instances the response was delayed. I know the President would like to see all the people and communities that have been severely hurt by this storm to get the kind of assistance that they need to begin to clean up and rebuild their lives.

I am hopeful that we can move forward. As Senator SPECTER said, initially only six counties were listed as qualifying for this assistance. One of the counties that did not qualify originally, and did not qualify until this afternoon, was a county where there were 6 people known dead, 75 people missing from an area that was a large housing development that was literally just swept away. Water rose rapidly. People were given no warning. The consequences were terrible. Yet that county was not listed originally on the disaster list, which amazed many of us and frankly was very discouraging.

I had occasion to talk to people up in Williamsport, Lycoming County. And they were very discouraged. Somehow they were suffering to this degree, and in fact accounted, from my understanding, for over half the deaths related to this storm in the Northeast, and yet were not listed as a county eligible for disaster assistance. That caused some legitimate uneasiness to where actually their needs and concerns were being paid attention to. I am happy to report they were listed in the second round.

There are other counties that we need to look at that I believe have legitimate needs to be met. Hopefully we can do that, we can do that expeditiously. I want to join Senator SPECTER in congratulating Secretary Peña and Director Witt for being up in Pennsylvania today to survey the damage, to see the extent of what seemed to be just a flood.

I remind you the compounding effect of the ice is something I do not think anyone recognized. I was in Lancaster County, which unfortunately has yet to be declared a disaster county.

I was in Marietta which was flooded, at least the parts nearest the river were flooded. Their big concern right now is the freezing that is going on. They were flooded. They have something like a dike. It is actually a railroad track that runs between the river and the town that is very high up and serves like a dike. But they got flooded through their storm sewers, and the water reaching its level filled up both sides of the dike. Now they are concerned with the storm sewers. Because of the very cold temperatures, they are now frozen. If they get any more rain, which is anticipated tomorrow, or any other precipitation, they will have the same problem all over again.

Many counties and many cities, they have that same problem with either frozen surface areas that prevent water from draining or the infrastructure underneath the ground itself containing ice and frozen debris is going to cause a real problem with drainage.

So we are not out of the woods yet. There is unfortunately still a lot of snow on the ground. The possibility exists, with the warm weather today, we could even see some more problems. So I want to congratulate Governor Ridge and Lt. Gov. Mark Schweiker for their tremendous role in responding to this emergency. They have been all over the State, have been very aggressive in trying to seek aid, and have also been very aggressive in trying to help municipalities trying to deal with the problems that have beset them.

I think we have seen a very good effort on the part of locally elected officials, and the Governor and Lieutenant Governor. I think—at least I hope that we can be proud of the Federal role that is being played in Pennsylvania. I think we are coming along a little slowly, but maybe today with some fly-arounds and other things that are going on, we can impress upon officials here in Washington and in the regional office that this is a true emergency, a disaster that needs to be attended to, and the Federal Government has a role to play in helping those individuals and municipalities that were affected by it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORST OILSPILL IN RHODE ISLAND HISTORY

Mr. PELL. Mr. President, I rise to share with my colleagues the latest news on what has been identified as the worst oilspill in Rhode Island's history.

As many of you may know from news accounts, the barge *North Cape,* carrying a cargo of about 4 million gallons of heating oil, and the tug *Scandia*

grounded off the southern Rhode Island coast in the early evening on Friday.

The grounding followed a fire that broke out Friday afternoon on the tug, later engulfed the vessel and required the subsequent last minute evacuation of the captain and crew by the U.S. Coast Guard.

That evacuation was successful because of the enormous courage and skill of the Coast Guard rescue team, who did not hesitate to put themselves at great personal risk to rescue the captain and crew.

Coast Guard Fireman Adam Cravey and Seaman Walt Trimble, who were the first to arrive at the scene aboard a 44-foot Coast Guard boat, found six men wearing survival suits huddled on the bow of the tug—which was engulfed by fire.

The six jumped into the water to swim to the Coast Guard boat and Fireman Cravey, who was in a wet suit and was tethered to the Coast Guard boat, jumped in to assist them. All were safely ashore about 2½ hours after the first emergency call.

Mr. President, I want to emphasize that this rescue was conducted under extremely difficult conditions, including high winds and rough seas, in the frigid waters of the North Atlantic.

I understand that the Coast Guard had warned mariners from Maine to New Jersey of a period of potentially dangerous winds from 40 to 50 knots, with higher gusts, and seas from 15 to 25 feet.

It was under extraordinarily difficult winter storm conditions that the Coast Guard effected the rescue and attempted, unsuccessfully, to prevent the barge and burning tug from running aground. The barge, dragging the burning tug, grounded in shallow water off Matunuck Point Beach, near Point Judith.

Pounded by strong winds and high seas, the 340-foot, single-hull barge began to spill oil early Saturday from holes in at least two places. Current estimates of the spill are in the range of 828,000 gallons.

Transporation Secretary Frederico Peña, Coast Guard Commandant Admiral Kramek, and other Federal officials came to us in Rhode Island to evaluate the spill on Saturday, as efforts continued to contain the escaping oil and offload what oil remained aboard the barge.

Rhode Island Gov. Lincoln Almond appealed for Federal help on Sunday, declaring a state of emergency and identifying the spill as ''the worst in Rhode Island's history and one of the worst ever off the coast of New England.''

The toll on marine life apparently has already been heavy. Thousands of oil-coated lobsters, dead and living, have washed up along several hundred yards of beach near the barge. Dozens of seabirds have died and scores more have been coated in oil.

The barge is close to Moonstone Beach, a breeding ground for the endangered piping plover and the Trustom Pond National Wildlife Refuge, an environmentally fragile habitat. An estimated 75,000 waterfowl live in the refuge area, including rare harlequin ducks.

Fishing also was banned in a 105 square-mile area, from Point Judith south to waters east of Block Island. A number of shellfishing areas also were closed.

The good news is that Rhode Islanders rose to the occasion. Hundreds of Rhode Islanders, their efforts coordinated by Save the Bay, volunteered to help the emergency response crews by cleaning everything from beaches to birds. The Coast Guard was magnificent in its response.

Additional good news came with a phone call from President Clinton to Governor Almond, assuring him that funds would be made available for the cleanup and fishing industries.

This tragedy has not yet played itself out, but we should ask some hard questions when we have all the facts.

Among the most obvious questions, that have crossed my mind: Why were the tug and barge underway in such treacherous and dangerous weather conditions? Should we have weather related restrictions on the transportation of toxic or hazardous materials in coastal waterways? Could this incident have been avoided by better fire-safety procedures or by a more rapid response? Could it have been mitigated by more aggressive prevention and containment measures?

It is unfortunate, Mr. President, that this barge was not of the new double-hulled design—which I have long advocated. I understand that it leaked from 9 of its 14 containment holds. A double-hull might have made all the difference between an incident and a disaster.

Finally, I think that everyone would benefit from a thorough review of the coordination of our emergency response to oilspills. We should make sure that every agency with a role in this crisis, worked smoothly with every other agency.

It has been a difficult time in Rhode Island and, unfortunately, our difficulties are not over. We do not yet know the extent of our disaster. On the Federal level, we should do all we can to expedite the assistance and expertise that is required for that recovery.

In closing, I emphasize the fine job the Coast Guard did and my own respect for their gallant service.

I yield the floor.

HYPOCRISY

Mr. SIMPSON. Mr. President, I rise to call the attention of my colleagues today to an item or two that have been in the news of late. The theme that unites them loosely is the theme of ''hypocrisy.'' ''Hypocrisy,'' I have said, may well be the ''original sin'' in American political life.

The first of these subjects has been reported upon in many of this Nation's newspapers, but as of yet has been insufficiently remarked about among the denizens here in the village of Washington.

Lately we have been in the midst of one horrific battle over the budget, gnashing our teeth, wailing, and howling to the heavens—it would be the envy of King Lear—and referring to each other by every manner of cruel epithets.

What are the differences that divide us, to occasion this level of hysteria, hype, and hoorah and fingerpointing? Often the differences are in reality very minimal, such as a difference of all of the sum of $7 as to where Medicare part B premium should be in the year 2002. That was the entirety of the difference between the President's first position and the Congress' position. That is where we drew the first ''battle line,'' the first line, the first gauntlet thrown.

In my view, it would be just as silly to let this difference sink a budget agreement as it would be to let the size of the tax cut sink an agreement. These are not sufficient causes, in my estimation, to fail to meet our obligation to future generations.

One would know little of the minimal size of this difference from watching the evening news, but coincidentally, 7 bucks was the amount that part B premium stood to go up next year, from $46 a month to $53 a month, regardless of one's net worth or income, really not too destructive in society, especially when we do not have any test of income or wealth.

I wonder if all of my colleagues fully realize what has been happening out there in the private insurance market while these wretched hostilities have been taking place here in Washington. We have seen some most remarkable increases in insurance premiums, and one of them, ironically enough, comes to our gentle citizens courtesy of the American Association of Retired Persons, the AARP. You have heard me speak of them before. Yes, I have from time to time gently touched upon their activities.

Now I have in hand an article describing how this determined, dedicated and obsessed nonprofit organization is raising its medigap insurance premiums for the next 6 months, after which, who knows, they might even rise again. This is the same AARP, I remind my colleagues, the courageous and dogged defenders of the poor, the downtrodden, and the elderly, these are the very same folks who descend upon Washington in droves and hordes to tell us if Medicare part B premiums were to go up—these being voluntary premiums, please recall, voluntary premiums; you do not have to join—but that when this terrible thing happens, mind you, going from $46 to $53 next year regardless of your net worth or your income—and you were not forced into it and it was not any part of an original contract, you got in because it was the best deal in town—and if it

goes up 7 bucks, seniors will be hurled out into the streets in their ragamuffin garb. Now, that is bah humbug.

Meanwhile—hear this—according to this article, a typical medigap customer of the AARP will see his or her monthly premiums rise from $147 to $178 next year, an increase of $31 a month.

Now, this was very striking to me. Let me read from their letter to their aggrieved legions of customers: ''* * * because of rising claim costs, a rate increase will become necessary as of January 1, 1996. Your new rates are guaranteed for six months.''

Let me be sure that every one of us understands. If there is any increase at all in Medicare part B premiums, a voluntary program in which 69 percent of the cost is paid by the ordinary, unbenefited taxpayer, this is decried as a ''benefit cut'' says the AARP. In their own propaganda, pumping their health care program, premiums must inevitably skyrocket because of inevitably, unavoidably—choke, gasp, sob—''rising costs.'' What unadulterated hypocrisy.

I do not see anything said here about a ''benefit cut'' to AARP's members although they are sticking it to their customers more than twice as severely as anything yet contemplated here for Medicare part B. No, with Medicare part B, their yowling answer, eternally hurled into the heavens, is always, just keep sticking it to the general taxpayers, never the beneficiary, regardless of their wealth, net worth or income. But when the AARP's own finances are right on the line, their customers are simply told curtly they are going to have to ''pay up.''

Yes, Mr. President, health care costs are going up. Who missed that in America? Some of that burden has to be shared. Who has missed that? With Medicare, most of it will be taken up by taxpayers, but the beneficiaries need to pick up some of that burden, too, if this country is going to avoid bankruptcy. That is the truth, and everyone in Washington knows it.

It has always been the height of deception for the AARP or the National Committee for the Preservation of Social Security and Medicare, or all of the similar tub-thumpers or anyone else to claim that it is some God-given right for beneficiaries to be held completely harmless in this process, or even to pretend that any sharing of Medicare cost increases is a ''benefit cut.'' We see so well here from the AARP's own actions that they know full well that their own stance has been stunningly hypocritical.

I do now have a sensible proposal for the AARP. If they can find a way to bring their own membership's premiums back down to where they were before, then only, and only then, can they rightly continue to fight so vehemently against all premium increases in Medicare part B. If and when the AARP find this presently unknown and occult way to avoid all premium increases, perhaps they will share the great secret with us and then we can logically do the same and avoid any changes in Medicare part B premiums.

But so long as the AARP continues to rake in hundreds of millions annually in tax-exempt insurance income, I trust they will see the unseemliness of any further disgustingly patronizing lecture to our Government about ''what to do with Medicare.''

Let me remind my colleagues again that the AARP is getting a huge share of the take of this premium increase. They pull in more than $100 million annually—their current share of the take, their take—from the contract with Prudential Insurance. They could, I readily note, give up that pile of new cash and return that money right to their membership to offset some of the effects of this premium increase. It seems fair. It certainly does.

Does anyone believe that they will? Would any of my colleagues ever believe that the AARP will give up its share of the profit from this lucrative insurance business and return it to the membership, 3.2 million of their own members, who are getting stuck with this increase? No. For this might make it a little tougher for the AARP to meet the annual—you want to hear this one—the annual payments of $17 million in rent each year on its palatial building downtown genially dubbed the ''Taj Mahal,'' or the payment of more than $69 million a year in salaries to themselves—many of them in chunks of more than $100,000 per year per person. There are many on the AARP payroll who make over $100,000 a year. And they lease their building for 17 million big ones every year on a 20-year lease. Figure that up for $8 a month dues. That will run the string for you.

No, I suspect they will continue to live in splendor here on E Street and leave their poor old customers scrambling to pay out the extra hundreds of dollars a year which they will have to shell out for this premium increase.

I trust my colleagues will remember this action the next time the AARP wanders in here—led by ''Edna the Enforcer''—claiming to represent the interests of America's elderly. The bottom line for this organization is big business, and big profit, pure, and simple. Believe it.

The other item which I wish to describe for my genial colleagues is an excellent editorial by Gerald Eickhoff in Investor's Business Daily, entitled ''What About Social Security?''

I ask unanimous consent this article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Investor's Business Daily]

WHAT ABOUT SOCIAL SECURITY?

(By Gerald E. Eickhoff)

Labor Secretary Reich's worthy campaign against pension fraud begs a more serious question: Where is he on Social Security?

The secretary is sounding the alarm on private pension fraud. Yet he has said nary a word about the condition of America's public pension system.

Reich's current campaign means to help workers ''know what to look for'' so they can ''ask the right questions'' about their pensions.

Yet he must know that Americans would be well-advised to be at least as concerned with Social Security. After all, as a member of its Board of Trustees, he is well-acquainted with the trouble that lies ahead.

Fraud in a handful of 401(k) plans deserves attention, but it is trivial next to the potential for Social Security failure. Without reform, Social Security will surely either go bankrupt or bankrupt the nation. And trouble begins in just 10 years.

In 2005, the Social Security trust fund surpluses are expected to start declining. In other words, the program will begin to spend more than it takes in. Instead of masking the true size of the budget deficit, as it does now, it will begin to add to it.

By 2012, entitlement costs and interest on the debt together will consume all federal tax revenues.

By 2013, Social Security's surpluses will turn into deficits. And the overall federal budget deficit will explode.

The numbers are staggering. By the year 2020, annual Social Security obligations will exceed income from payroll taxes by an estimated $232 billion. That grows to $766 billion by 2030.

The demographic outlook tells why. In 1940, the average American lived to the age of 61, yet today average life expectancy is 76. In the next 35 years the number of Americans over age 70 will double to 48 million. That leaves just 2.2 workers to support one retiree, as opposed to 3.3 today and 159 in 1940.

Part of the problem is the looming retirement of the Baby Boom. But it goes much deeper, to Social Security's pay-as-you-go system—less charitably, a Ponzi scheme.

The private pension funds that so concern Secretary Reich are funded programs. Social Security is a mere promise to pay.

Yes, that promise is backed up by the full taxation power of the federal government. But because the trust fund is filled with IOUs from the government to the government, it is no more capable of paying future benefits than a dry well is of yielding water.

The notion of a trust fund, therefore, is at best misleading. At worst, it is accounting gimmickry of the highest order.

Future retirees have little chance of receiving benefits on a scale anything like those of today. Benefits such as they are will be paid either from borrowed money, from new debt piled onto the existing $5 trillion national debt or from tax receipts.

Because the federal government's ability to borrow is finite, however, increased taxes will be the inevitable last resort.

Current projections assume workers will be squeezed by taxes to prop up a failing system. Social Security payroll taxes will have to rise from today's 12.4% of pay to 16.5% in 2030. Under less optimistic assumptions, they could run as high as 37%.

Contrast this with the fact that in 1950, the average family of four paid just 2% of its income to the federal government. That included income and Social Security taxes.

You'd get hardly an inkling of this from a casual reading of the Social Security Trustee's report. Rather than blowing the whistle on the trust fund illusion, the Trustees confidently report that the fund ''will be able to pay benefits for about 36 years.''

The picture of Social Security's future is disturbing. But action now can avert a crisis. Lawmakers can prevent Social Security bankruptcy, devastating taxes, job loss and an uncertain retirement for millions. With

determination and a clear goal, it is possible to not only save, but to vastly improve Social Security and its ultimate value to Americans.

No other issue has greater potential for future prosperity or calamity than Social Security reform. We must act now.

Reich's educational campaign on private pensions is a good place to start. Social Security is where we need to end up.

Mr. SIMPSON. Mr. Eickhoff notes again the hypocrisy of Washington's concern about private pension fraud while, at the same time, ignoring the massive problems looming in Social Security. As Mr. Eickhoff notes, ''the private pension funds that so concern Secretary Reich are funded programs. Social Security is a mere promise to pay.'' That is correct—it is only a promise. The payments promised bear no relation to contributions made by past or current workers.

As the article notes, ''Future retirees will have little chance of receiving benefits on a scale anything like those of today. Benefits such as they are will be paid either from borrowed money, from new debt piled onto the existing $5 trillion national debt or from tax receipts.''

Absolutely. That is the way it will be. And let us not forget the projections we currently have, that under current law, if we did everything of the hideous programs presented by the majority party, we will still be saddled $6.2 trillion in debt by the end of this century. We are not doing any heavy lifting of any great import.

''Tax receipts,'' that is the phrase. That is what will darned sure be sought to pay for the benefits that have been promised—especially that pressure to pay it from tax receipts will come from the various seniors' lobbies. We will just hike the old payroll tax again, just as we did in 1983, and keep hiking it and keep hiking it on up to 30 percent of payroll by the year 2030, unless we ''do something'' about the growth of Social Security and Medicare benefits.

Everybody knows that, too. And the people who are telling us about the demise of Social Security are the trustees of Social Security, one of whom is my friend, Robert Reich, whom I enjoy thoroughly. A delightful gentleman. He and I do not concur on various philosophical items or ideologically. Another one is Donna Shalala, I have a similar regard for her, a very able lady. And Robert Rubin, another very capable person, even though we disagree heartily.

Those are the trustees. Those are three of them, telling us about the doomsday coming. While the present Commissioner of Social Security does nothing, nothing to tell us how do we get out of this box. Quit joshing us. What are your recommendations? You are the Commissioner, Shirley Chater. You are free of the influence of Congress and the President. You are an independent agency, so tell us. And we have nothing coming back except resounding speeches, tales, anecdotal material about how great Social Security is. ''But it will need some attention in the years to come.''

You betcha it will. It is $360 billion a year and we are not even touching it. We have a COLA attached to it that can be between $4 and $8 billion a year which goes out to people regardless of their net worth or their income. It cannot possibly succeed because it was never a pension. It was an income supplement. People are living longer and eating it all up. Now, every day, almost 8,000 people, since the 1st of January, will become 50 years old and they—not intentionally—will destroy the system. And we know it. And they know it. The trustees know it.

At least I hope, again, as we open this session, that my good colleagues will take a good look at the bipartisan work of Senator BOB KERREY and myself, eight bills to restore the solvency of Social Security in the years to come, starting now. Now—not 10 years from now, not 20 years from now—extending the age of retirement over the next 30 years so it is an easy step, allowing people to invest 2 percent of that contribution in a personal investment plan and the other 4.5 percent can go into, then, the system.

''That means a reduction of benefits.''

Indeed it does. Doing something with the current ratios with regard to retirement, not only for ourselves as Congresspersons but all Federal retirees. Doing 30-year budgeting in this particular area. Doing something with the Consumer Price Index. This is absurd. This is a no-brainer.

We heard testimony from everyone in the United States, the CPI [Consumer Price Index] was overestimated, from the figure of 0.5 to 2.2. If you just made the change and let it come down minus half a percent it comes $157 or $158 billion in the year 2002. But 10 years out it is nearly $700 billion in savings.

These are small items now that will overwhelm us 10 or 15 years from now. And no one is doing anything about it.

I say again, for the life of me I cannot understand what happened to the people in society between the ages of 18 and 45. They must be totally asleep or numb, or gone, because they will be gone when they are my age because there will be nothing there unless we begin to make the corrections. And that is the trustees telling us that, not some leftover specter of the past, some right-wing cuckoo from 20 years back or some left-wing zany. That is the trustees telling us this is what is going to happen to Social Security, and we do not even touch it. The President does not touch it. Congress does not touch it. And there are groups out there dedicated to see that you do not touch it.

So, I always say to them, ''Do you care about your children and grandchildren?''

They always say, ''Oh, yes, that is the purpose of our existence, caring for our children and grandchildren.''

I say, ''Forget it. I do not want to hear that one anymore. That is so much opium smoke. That is a phony.'' They cannot possibly care if they will not allow us to make the adjustments, or at least begin to make the adjustments now. And we all know what we have to do, all of us. And everybody downtown knows it. And the people of America, if they cannot figure all this out in the next 10 months, then get into the old booth and pull the trigger for the other party and say, ''Well, we have had enough of that. I do not know what that great experiment was, but, boy, when they touched Medicare, oh, God, I tell you I rose up. I showed them. And Medicaid and Federal retirement and Social Security.''

So, in that scenario, those of the other faith will come into the Halls of Congress, take over the majority party, and say, ''Boy, aren't we glad we saved you from them because now we are really going to get back to where we were before. We are going to let Medicare go up 10.5 to 12 percent per year. We will show them. Never do that cruel thing where we are going to let it go up only 7 percent a year, or 6.4. We are going to let Medicare and Medicaid go up 10 percent a year. Those were evil people trying to let it go up only 6 percent. We are not going to touch Social Security. We are just going to—well, we might—just add a little payroll tax. That will fall on the people in society who are not organized, who are not paying $8 a year dues to some organization which is dedicated to seeing how much more they can get out of the Treasury.''

So, that is what is out there and this can all be averted if, as Mr. Eickhoff notes, we act now to prevent a crisis. We simply cannot keep waiting until after the next election. We cannot keep saying that Social Security should be ''off the table.'' We have to adjust to the Consumer Price Index, as more and more are beginning to recognize, from the bipartisan Senate group to the ''Blue Dog'' Democrats to the Washington Post, for Heaven's sake, and we have to phase upward the retirement age and make a number of other changes if we are to have any chance of repairing this situation.

So I am very pleased to be working continually with my colleague and friend from Nebraska, BOB KERREY, in this effort. I continue to hold very serious hearings on this matter in the Social Security Subcommittee which I chair. But I will be having individuals there before us between the ages of 18 and 50 coming to testify, rather than a continual stream of people over 60 coming to testify. I remind my colleagues that Social Security is a promise to them, too. It does not exist simply to harvest the votes from today's retirees. That is what it has become.

We all know that even the Washington Post has been noting of late that it is folly to say that Social Security is ''off the table.'' A $360 billion program headed toward certain bankruptcy is ''off the table''? It is absurd. It is stupid. That cannot work. The very least

we can do now is to fix the CPI. As I say, groups are working to do at the present time. Others have lately joined in these suggestions.

So I do hope my colleagues will read that article and recall that everything and all things we are doing right now on this budget is, or should be, for the benefit of future generations. I tell people at my town meetings; they do not hear it always. I tell it wherever I am. Nobody over 60 is going to get dinged at all in this process unless they are loaded. And if they are loaded, they might get stuck 20 to 40 bucks more a month. If they are not loaded, they will not get hit at all. People cannot even hear that. We cannot go on to ignore this ghastly problem in Social Security and yet ever be able to continue to claim that we have done right by them.

Finally, Mr. President, I wish to call the attention of my colleagues to a recent article in the Washington Post regarding the recommendations forthcoming from the Social Security Advisory Council. This is very important. People are ignoring these things because you are not supposed to mention these two detonating words—Social Security.

But that council was unable to agree upon a prescribed solution to the impending Social Security solvency crisis, and that is a similar experience with which I am very familiar. I served on the President's Bipartisan Commission on Entitlement and Tax Reform. We have no difficulty defining the problem, and by a vote of 30 to 1 we agreed that it certainly existed. I have just shared with you moments ago what it is. But when it came time to solve it, only a hardy few were willing to give answers—Senator Bob KERREY, Senator Jack Danforth, Congressman Alex McMillan, Congressman PORTER GOSS, PETE PETERSON, and myself, to name a few of them—out of a 32–Member commission. So I do know what it is like to struggle for a year to get colleagues to confront a most serious problem, only to be overcome and overwhelmed by the ponderous difficulty of getting a majority to face before us political perils inherent in the solution.

Although the advisory council was unable to develop a consensus solution, there is much that is worth noting in the work that they have done. My colleagues would do well to study it. I myself again plan to have serious hearings on this subject this year in my Finance Committee's capacity as the chairman of the Subcommittee on Social Security and Family Policy.

Three plans were voted on by the council. One is called the privatization plan, which would take roughly half of the existing contributions to Social Security and refund them to taxpayers to be invested in IRA's or 401(k)-type accounts which would earn retirement income for them while their previous Social Security benefits would be cut accordingly.

A few years ago, you could not even pose a discussion about such a plan without someone charging that you were out to destroy Social Security. Yet, this plan received five votes from these advisory council members. I think that shows a deep recognition of the need for fundamental reform of the system.

Another plan was backed by former Social Security Commissioner Robert Ball. He would stick very close to some of the more traditional solutions, as Mr. Ball has always done in the past. It would turn to increased taxation: imposing existing payroll taxes on State and local employees; imposing higher taxes on Social Security benefits, and, of course, raising the payroll tax rate. We have heard so much of that before.

But I draw my colleagues' attention to some of their other proposals. One is to reform the Consumer Price Index. Bear in mind that this is from the old guard, the most traditional defenders of the existing Social Security system, the people on this committee, this advisory committee, saying now that the CPI needs to be reformed for the sake of Social Security solvency. We need to hear that. If we cannot get that done at all in our current budget process, we are truly ''missing the boat.''

Here is something else they suggest. Having the Government invest the Social Security trust funds in stock market index funds as opposed to simply buying Government bonds. That is something which Senator KERREY and I have also proposed here in the Senate. That would have been absolute heresy a short time ago. These members of the advisory council will not go so far as to set up individual accounts; they would retain the pooled nature of the program. But, still, this would represent a most significant shift from current practice.

So I review all of that for my able colleagues so that they will see that the entire spectrum and scholars and ''experts'' on this issue tell us that fundamental reform is absolutely necessary in order for Social Security to survive. At the very least we must reform the CPI and get these retirement funds somewhere else other than where they are currently are, either into stock funds, or into private retirement accounts, if we are ever to generate the return that will be critically necessary to fund future benefits.

I would also note that a third option was described in this article as a ''halfway house'' measure. This plan would provide for two percentage points of the payroll tax to go into a 401(k) or an IRA-style plan. And the chairman of the council voted for that one. That intrigued me greatly because I had also joined Senator KERREY in offering a plan which had exactly this option as one of its components. Here they have described it as a ''halfway house'' measure.

So I, Mr. President—and you have known me a lifetime—have become, I whimsically conjecture, a ''moderate'' now when it comes to Social Security reform, which is touching. It is a touching thing. My colleague might surely be most intrigued to know that. But this Kerrey-Simpson-style proposal is now viewed by the advisory council itself as a compromise between differing approaches to reform of the system. Who would believe it?

So I trust that my colleagues will give their earnest attention to the deliberations of the Social Security Advisory Council, and note that all those who study this issue have concluded that fundamental reforms need to be made, starting at the very least with reforming the Consumer Price Index.

I look forward to working with my colleagues in the year to come with regard to those issues that will come before the subcommittee which I chair.

I thank the Chair. I thank my colleagues.

I yield the floor.

CHARLES L. KADES—A FOUNDING FATHER OF MODERN JAPAN

Mr. KENNEDY. Mr. President, 50 years ago next month, Col. Charles L. Kades, an aide on the staff of Gen. Douglas MacArthur, was placed in charge of an historic project to monitor and assist in the drafting of a new constitution for Japan. Colonel Kades worked in obscurity at the time, but he did his work brilliantly, and the resulting constitution he helped draft laid the groundwork for Japan to recover from the ashes of World War II and become one of the world's strongest democracies and one of the world's strongest economies. In no small measure, that historic success is the result of the vision, talent, and commitment of Charles Kades.

After his landmark service in Japan, Colonel Kades returned to the United States and practiced law with great distinction for many years in New York City. He retired in 1976, and moved to Heath, MA, where he now lives at the age of 89.

Over the years, the true magnitude of his historic contribution to Japanese democracy has become better known. As the golden anniversary of his golden achievement approaches, it is a privilege for me to take this opportunity to commend the extraordinary leadership he demonstrated 50 years ago. The dramatic story of his work was told in detail in an excellent article last year in the Springfield Sunday Republican, and I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sunday Republican, Springfield, MA, Feb. 19, 1995]

HEATH RETIREE AN UNLIKELY FOUNDING FATHER OF JAPAN—LAWS WRITTEN 49 YEARS AGO

(By Eric Goldscheider)

HEATH.—In recent years scores of Japanese journalists and constitutional scholars have made the trek up to this Western Massachusetts hill town to see an 89-year-old retiree named Charles L. Kades.

Not only did he write the Japanese constitution but he owns one of the only readily accessible transcripts of the proceedings that led to its ratification 49 years ago.

Kades (pronounced KAY-dees) is an unlikely founding father of the country that today boasts the world's second biggest economy. Before arriving there as a colonel in Gen. Douglas A. MacArthur's occupation force two weeks after VJ Day in August 1945 he had never even read anything about Japan.

''I wasn't in Japan because I knew anything about Japan, I didn't know a damn thing about Japan,'' he said during a recent interview in his unassuming house a couple of miles from the Vermont border.

Nor did he have any special expertise in constitutional law. He had studied law and practiced in New York City before the war. He had some knowledge of the New York State constitution because he had to learn it for some of the corporate cases he handled. He had also served as the assistant general counsel under two cabinet secretaries in the Roosevelt administration.

None of this adequately prepared him, he said, for a day he remembers well—February 3, 1946. That was the day Major General Courtney Whitney put him in charge of a 16-member task force assigned to write a draft constitution for the country they were occupying.

''I said, 'When do you want it?' '' Kades recalls. ''He said you better give it to me by the end of the week.'' That was six or seven days. ''I was completely flabbergasted because I thought he was going to say 'a few months or June or something like that,' '' said Kades.

The story of how he came to be in this position is more involved than simply being called into his boss's office and being given a task to perform. Kades is glad to tell it but he imposes one rule on himself. He absolutely will not comment on current Japanese political debates even though he is often called upon to do so.

''They're none of my business,'' he tells all comers.

When Kades arrived in Japan as a member of the Government Section of the General Headquarters of the Supreme Commander of the Allied Powers (SCAP) there was no talk of his office being involved in the business of constitution writing. That was to be a job for the Japanese to do themselves in a commission headed by Joji Matsumoto, a corporate lawyer and a professor of law at the Tokyo Imperial University.

PROGRESS WAS NIL

The problem was that they weren't making very much progress. Then an even bigger problem emerged. A reporter from a leading Japanese newspaper swiped a copy of the draft they were working on and published it.

''That is what you would call a 'scoop,' '' Kades recounts as a grin spreads across his face. ''The commissioners left a draft on the table and went to lunch.''

The Americans had this purloined document translated and found that it was short on democratic reforms and that it didn't substantially revise the Meiji constitution of 1889 under which militarism flourished that led to the war. For example, in the Meiji constitution the emperor's rule was ''sacred and inviolable,'' and in the revised version the emperor's rule was to be ''supreme and inviolable.''

The government protested and said that the published draft didn't accurately reflect the work of the commission. ''When the government denied that was the correct version we asked them to hand over the correct version—it wasn't very different,'' says Kades.

As it happens, just before the Japanese government was caught with its pants down by an alert reporter, Kades was in the process of preparing a memo arguing that Gen. MacArthur had the legal authority to revise the constitution. This argument rested on the text of the Potsdam Declaration in which the leaders of the United States, England and China proclaimed that among the terms under which hostilities would cease the Japanese government had to ''remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. (And that) freedom of speech, of religion, and of thought, as well as respect for the fundamental human rights, shall be established.''

STANDARDS LACKING

The document the Japanese were working on didn't live up to this standard. At first Whitney wanted Kades to prepare a memo outlining the American objections to the draft. Then word came down from MacArthur that this would only be a waste of time ''ending up with a lot of exchanged memos.'' The decision was made that the Americans would prepare their own draft.

This is the point at which a mystery about the Japanese constitution ensued that remains unsolved to this day.

When Whitney charged Kades and his group with the task of writing the constitution within the week, he handed him some hand-written notes for him to use as a starting point. Scholars are still curious whether these notes reflected the thoughts of Whitney or MacArthur.

There are three possibilities, said Kades: the notes were written by MacArthur, they were written by Whitney or they were dictated to Whitney by MacArthur. Kades said he kept those notes in his field safe until the end of his 3½-year tour of duty. When he left Japan he returned them to Whitney and they have since disappeared. His hunch is that the notes reflected MacArthur's thinking.

CONSTITUTION TEAM

When Kades and his group set to work on the constitution, the first thing they did was to divide up the task according to their various talents and areas of expertise. Five of the 16 officers had been lawyers in civilian life. There was a former congressman, the editor and publisher of a chain of weekly newspapers in North Dakota who had also served as the public relations officer for the Norwegian embassy in Washington. A few university professors, a foreign service officer and a partner in a Wall Street investment firm were also part of the team.

Committees comprised of one to three people were formed to draft articles on such things as the roles of the executive, the legislature and the judiciary. An academic who had at one time edited a journal on the Far East headed the committee on the executive. The foreign service officer was told to deal with questions surrounding treaties. A social science professor dealt with civil rights, the banker was the sole member of the finance committee and so it went.

Between them they collected constitutions of a dozen other countries from libraries around Tokyo. Some of them were familiar with various state constitutions from the United States. Kades emphasizes, though, that the primary sources they drew on for their work was the existing Japanese constitution of 1889 as well as drafts prepared by some of the political parties in existence at the time.

Kades isn't sure why MacArthur was in such a hurry for his group to finish the draft. His best guess is that elections had been set for the middle of March 1946 and that it was anticipated that the constitution would become a campaign issue. Also, if they delayed, MacArthur feared that their work would be hampered because, with the passage of time, China and the Soviet Union would get into the position of being able to veto any new constitution.

FINISHED ON SCHEDULE

Kades' group finished their work on schedule. On Feb. 13 Whitney met with the Japanese group telling Matsumoto that their revision was ''wholly unacceptable to the supreme commander as a document of freedom and democracy'' before handing him a copy of the document drafted by the Americans.

The next weeks were devoted to meetings with the Japanese constitutional commission to hammer out the final wording of the document that would be submitted to the Japanese Diet (the equivalent of the U.S. Congress) for ratification.

The last negotiating session went 34 hours without a break.

They finished on March 4. Two days later the cabinet and the Emperor accepted it and it was approved by MacArthur that night.

OVERSAW RATIFICATION

But this isn't the end of the story.

In the following months and through the summer, Kades was responsible for overseeing the ratification process of new the constitution. His instructions were to let the newly elected legislature amend his document in any way as long as they didn't violate the basic principles laid out in the Potsdam Declaration.

Kades recalls that he would be asked what kinds of changes would violate these principles. His response was along the lines of Justice Stewart Potter's observations on pornography, ''I can't define it but I know it when I see it.''

A number of things were changed, such as the striking of a clause under which aliens would be accorded equal protection under the law. Kades was sorry to see that go but he didn't think he had the mandate to intervene on such questions.

The deliberations of the Diet were transcribed and sent to Kades every day. He kept those documents and has since had them bound. Unlike in the U.S. where the Congressional Record publishes the proceedings of Congress, under Japanese law only members of the Diet have access to transcripts of legislative deliberations and they are not allowed to remove or copy those transcripts. That is how Kades came to be in possession of one of the only sources scholars interested in the proceedings can go to. There are other copies but they are in disarray.

Once the draft constitution was debated, revised and ultimately ratified by the Diet it was promulgated by the Emperor on November 3, 1946, nine months to the day after it was conceived by MacArthur, Kades wrote in an account of the process published in an American academic journal six years ago. The process by which it was introduced by the emperor to take effect six months later was in accordance with the process for amending the constitution laid out by the Meiji constitution of 1889. ''We wanted as much legal continuity as possible,'' said Kades, in order to give the new document ''more force.''

LAWS NEEDED REWRITE

Still Kades' work wasn't finished. After the constitution was in place, many of the laws had to be rewritten in order to bring them into line with the new order. Kades had a hand in this process and was sent a team of legal experts from the U.S. to help him. Among them was Alfred Oppler, a judge in prewar Germany who had been purged by Hitler. He went to the United States and worked as a gardener while teaching himself English. His help was invaluable, Kades says, because of his knowledge of German law. The Meiji constitution Kades had taken as a template was based on the Prussian constitution

of its time and was grounded in statutory law rather than the common law traditions of England and the United States.

DURABLE DOCUMENT

The Kades constitution has been remarkably durable, a point Kades offers to support his contention that it reflected substantive input from those who would later live under it. ''I don't think it could have lasted 50 years'' had it been forced on the Japanese, he says. Another reason for its durability, he says, is that there are enough groups such as women, labor unions, and local government entities who could stand to lose protection if the constitution were tampered with.

''Women have more rights under the Japanese constitution than in the U.S.,'' Kades says.

Whenever the idea of revision is raised, all these groups band together to forestall it.

The strongest push to revise the constitution came out of the Gulf War in 1990.

One of the most unusual aspects of the Kades document is Article 9 which prevents Japan from having an army other than a minimal self-defense force. This is the basis on which the Japanese say they are precluded from participating in multi-national military operations like Desert Storm.

REVISIONS PUSHED

A leading Tokyo newspaper, Yomiuri Shimbun, (not the same paper that published the unauthorized copy of the draft constitution 49 years ago) is pushing to revise the Kades constitution so as to allow the Japanese to increase the strength and scope of its armed forces. A think tank associated with that newspaper has even drafted a revised constitution.

Partly as a result of this controversy, Kades has become a much sought after interview subject in recent years. Television crews from England, Australia and the U.S. in addition to several from Japan have come to his home. He estimates that he has given 60 interviews in the last several years.

He was invited to Japan where he was interviewed by a documentary film crew. He also appeared on the equivalent of one of our Sunday morning political talk shows on which two leading politicians debated the issue. He has also been sought out by journalists and scholars seeking comments on aspects of the post-war occupation about which he has no particular expertise such as educational reform and civil liberties. Study of the occupation ''is a whole industry in Japan,'' Kades says.

Out of these experiences, Kades has learned that anything he says about current debates can be distorted. Statements he has made in his home in Heath, he says, have resulted in ''indignant'' phone calls from half way around the globe. Even if his statements aren't distorted, he says, he feels he simply isn't competent to be involved in current controversies.

To make it easier for him to stick to his self-imposed rule not to talk about potential revisions of his constitution, he keeps next to his phone a typed message that he took from a speech by former Secretary of State Cyrus Vance saying that ''outsiders should keep their hands off'' Japan's internal affairs.

One of the people most interested in Kades' comments was Kikuro Takagi, a senior editor of Yomiuri Shimbun—the largest circulating newspaper in the world. Takagi lives in New York City and he is among those who trekked to Heath to seek a comment on the new draft constitution his newspaper is promoting. Kades refused to even read it in his presence.

MODEL FOR PEACE

Reached in New York, Takagi says he thinks Kades opposes the revisions and that he shares the view of one of his former assistants, Beate Sirota-Gordon. She maintains that the Japanese have undergone remarkable political and economic development for 49 years under the old document that precludes all but a minimal defense force. ''Article 9 is really a model for peace that should not be amended, rather it should be copied by other countries . . . changing Article 9 would be a very sad thing,'' says Sirota-Gordon who, at the age of 22, drafted the women's rights section of the Kades constitution.

Sirota-Gordon gives Kades a lot of credit for what she considers to be a shining moment in world history. ''It is an unusual situation when an occupation force is inclined to do something beneficent rather than vengeful,'' she said in an interview from her home in New York.

When pressed on Kades' reactions to attempts to update the constitution Takagi said, ''he gave us a very delicate reply.'' Takagi said his paper didn't publish Kades' thoughts because ''we are trying to push up our revision to our leaders . . . this is a very delicate political and psychological issue so we are holding on to Mr. Kades' reply for now.''

After the war, Kades returned to the relative obscurity of a New York City lawyer. He bought the house in Heath in 1967 as a summer residence and moved there full time when he retired in 1978. He lives there now with his wife Phyllis.

Asked what he likes to do when he isn't fielding questions about the Japanese constitution Kades smiles and says, ''drink beer.'' Then he adds, ''in the summer time I have to take care of some of the grass around here.'' He also likes to read about current events and he keeps up on the books that come out about Japan. He has been to the Far East sometimes visiting the children of people he knew when he was there during the occupation. One of them took him to the office where he and his team wrote the constitution. It now houses the Dai Ichi Insurance Co.

Reflecting on the heady days 49 years ago, Kades looks briefly into the fireplace warming his living room and says matter of factly, ''it certainly has changed my retirement.''

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about another go, as the British put it, with our pop quiz. Remember—one question, one answer.

The question: How many millions of dollars in a trillion? While you are thinking about it, bear in mind that it was the U.S. Congress that ran up the enormous Federal debt that is now about $12 billion shy of $5 trillion.

To be exact, as of the close of business Friday, January 19, the total Federal debt—down to the penny—stood at $4,988,397,941,589.45. Another depressing figure means that on a per capita basis, every man, woman, and child in America owes $18,934.39.

Mr. President, back to our quiz—how many million in a trillion?: There are a million million in a trillion, which means that the Federal Government will shortly owe $5 million million.

Now who's not in favor of balancing the Federal budget?

HONORING LAUZON MAXWELL FOR HIS WORK ON BEHALF OF THE MID-CONTINENT LIBRARIES

Mr. ASHCROFT. Mr. President, today I rise to salute the tireless efforts of a Missourian who has worked and given of his time, and himself for one of our country's most precious resource, our libraries. The Mid-Continent Public Libraries serve Clay, Jackson, and Platte counties in the Kansas City, MO, area and provide a valuable service to the community.

Lauzon Maxwell was selected as building manager for the Mid-Continent Public Libraries in 1985, after the library was given authority to oversee its own building projects. In the next 8 years, Mr. Maxwell oversaw the task of building and remodeling 25 facilities, many times having between three and five projects under construction at the same time. Most projects were completed under budget. These projects translated into an additional four branch libraries, four expanded buildings, and a warehouse for the Mid-Continent Library system totaling an additional 381,769 square feet of new or remodeled facilities between 1985–95.

Through his hard work and leadership in the Mid-Continent Library's expansion project, the libraries have provided better library services to their clientele in the Kansas City area. Our libraries are an investment in our communities, and the outstanding services of Mid-Continent Libraries are a credit to their communities. I commend Lauzon Maxwell for his outstanding service and dedication in the leadership of the building projects of the libraries of Kansas City. They are noteworthy and exemplary.

TRIBUTE TO THE LATE TOM GARTH

Mr. THURMOND. Mr. President, the new year started out sadly for the members, friends, staff, and alumni of the Boys & Girls Clubs of America when the president of that organization, Mr. Tom Garth, passed away.

What is today the Boys & Girls Clubs of America can trace its history back to 1860, when the first Boys Club was opened in Hartford, CT. The streets of America's cities during that period were not friendly places, they were often dirty, crowded, and dangerous. The establishment of Boys and Girls Clubs gave young men and women not only a safe haven from the temptations and evils of urban settings, but also allowed them to pursue activities that developed their minds and bodies.

While our Nation has grown and changed in many ways in the last 136 years, much remains the same. Contemporary America is a place with an abundance of obstacles for our youngest citizens. In our cities, drugs and gangs present a deadly lure to urban children; and in our suburbs, teenagers are easily bored by the stale environment which monotonous suburbs create and juveniles are often enticed into

destructive activities. If anything, there is an equal, and perhaps even greater, need for Boys & Girls Clubs in the United States of today. As the president of the Boys and Girls Clubs of America, Tom Garth recognized that fact, and he worked hard to create an organization that would effectively reach out to today's children and offer them an attractive alternative to running afoul of the law.

Mr. Garth began his career with the Boys & Girls Clubs as the games room director of the Boys Club in East Saint Louis, a city well known for being a tough town where opportunities for its citizens, especially its children, are scarce. Working in such an environment had a tremendous effect on Mr. Garth and would help influence how he would run the Boys & Girls Clubs of America when he became president of that organization in 1988.

By all accounts, the tenure of Tom Garth was a successful period in the history of the Boys & Girls Clubs of America. Under his leadership, this organization established hundreds of new clubs in areas where positive activities for children were desperately needed, contributions to the organization increased, and most significantly, the membership of the organization has more than doubled, growing to include 2,300,000 boys and girls. This is an impressive accomplishment and a proud legacy for Mr. Garth to have achieved.

Mr. President, I have long been a supporter of the Boys & Girls Clubs of America, and it was a pleasure to come to know Mr. Garth over the many years he was with the organization. He was a man with a clear vision of what he wanted the Boys & Girls Clubs to be and what it would take to meet those goals. I am told that one of his last requests was to those who he left behind at the Boys & Girls Clubs of America, urging them to work to ensure that by the year 2000, 3 million children would be served by the clubs. That is a worthy goal and one which each of us in this Chamber would do well to support and help bring to fruition.

Tom Garth was a man with tremendous drive and determination, and without question, he could have risen to head any of America's leading corporations. Instead of being motivated by the notion of a successful and financially rewarding business career, Tom Garth was motivated by a desire to make a difference and to make sure that the young people of the United States who needed a helping hand, a safe haven, or a role model, were given them. Through his 40-year career with the Boys & Girls Clubs, he gave millions of children more than a fighting chance to grow into productive members of society, and he has truly had a positive impact on this Nation through his work. He will be missed by all those who knew him, and we join his widow, Irene, in mourning his loss.

TRIBUTE TO THE LATE ADRIENNE BROWN

Mr. THURMOND. Mr. President, earlier this month a tragedy befell James Brown, one of South Carolina's most famous sons and one of America's most beloved entertainers, when his wife Adrienne passed away.

James and ''Alfie,'' as Adrienne was affectionately called, had been married for 10 years and were fixtures of Augusta, Georgia and the ''Georgialina'' area, a region of the Savannah River Valley which includes a number of cities and towns on both sides of the South Carolina and Georgia stateline. The two met back in 1981 when James Brown appeared on the popular syndicated television show ''Solid Gold''. A native of California, Adrienne was working in the entertainment industry at that time, contributing to the production of programs such as ''Days of Our Lives'' and ''The Young and the Restless'', as well as being employed as an artist by NBC television.

After their courtship began, Adrienne became very active in Mr. Brown's entertainment ventures, and some have even credited her as being a key element in his becoming popular with a whole new generation of music lovers. Her passion for the entertainment industry and sense for business led her to become chief executive officer of Alfie Enterprises and the James Brown Dancing Stars, as well as the executive producer of the ''James Brown's Living in America'' pay-per-view television show. The Browns were married in 1985, and their decade long marriage was one that was filled with strong feelings between husband and wife, and many marveled at the bonds that held the two together.

On January 16, after a memorial service that was attended by an overflow crowd of more than 800 family, friends, and admirers, Alfie Brown was laid to rest. The Charleston Post & Courier carried an article about the service which I think captures the esteem in which this woman was held and I ask unanimous consent that it be included in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Charleston Post & Courier, Jan. 16, 1996]

SOUL SINGER BROWN BURIES HIS WIFE

AUGUSTA.—Soul singer James Brown buried his wife Tuesday after a funeral in a historic theater overflowing with mourners.

New York activist the Rev. Al Sharpton was among the more than 800 friends, relatives and fans who filled the Imperial Theatre to console Brown on the death of his wife, Adrienne.

''She was one of the few people around him who didn't want anything from him except to be James Brown,'' Sharpton said.

''Mr. Brown, you face a lonely time. Remember you have what most stars never have—someone who loves you,'' he said.

Mrs. Brown, 45, died in Los Angeles Jan. 6, two days after undergoing cosmetic surgery.

Officials at the Los Angeles County coroner's office have ruled out foul play, but they haven't determined what caused her death.

Brown, dressed in black and wearing sunglasses, blew a kiss to the 100 or so people lining the street outside who were unable to get a seat in the theater.

He did not speak during the funeral.

''She loved James very much,'' said Al Miller, a family friend. He was so distraught he could speak only a few words.

The glossy black casket was covered with a hugh spray of red roses, and scores of other flower arrangements covered the stage around it.

A large portrait of Mrs. Brown was suspended over the casket, and a white cross was projected on the curtain at the back of the stage.

After the service, Mrs. Brown was buried at Walker Memorial Gardens.

Nancy Thurmond, wife of Sen. Strom Thurmond, R-S.C., and a close friend of Mrs. Brown, said she had ''devoted herself to helping James Brown continue leading the world as the Godfather of Soul.''

''She showed great courage in combining the public arena with private life. She was often in the lonely fringe throughout it all. She had a tremendous giving heart,'' Mrs. Thurmond said.

The Rev. Reginald D. Simmons, who officiated at the service, said the Browns' 10-year marriage was strong despite some tumult.

He said he talked to her two days before she died, and she was looking forward to coming home.

''God gave her a husband. Despite things down, up or turned around, he was steadfast and unyielding,'' Simmons said. ''Their relationship was going to be for better or for worse. Her life was filled with mostly good things.''

Mrs. Brown had accused her husband at least three times of assault, but each time she either withdrew the accusations or the charges were dismissed.

Brown, 62, denied beating his wife and said in November that she was being treated for drug addiction.

The Browns met in 1981 on the set of the TV music show ''Solid Gold,'' where she was a hair stylist.

They lived in nearby Beech Island, but Brown maintained his offices and recording studio in Augusta, where he got his start.

A memorial service was held last week in Los Angeles, Mrs. Brown's hometown.

Several stars, including singer Little Richard, attended.

NOTICE OF ADOPTION OF PROCEDURAL RULES

Mr. THURMOND. Mr. President, pursuant to the Congressional Accountability Act of 1995, a Notice of Adoption of Regulations and Submission for Approval and Issuance of Interim Regulations, together with a copy of the adopted regulations, was submitted by the Office of Compliance, U.S. Congress. These regulations relate to irregular work schedules and interns. The notice announces the adoption of the final regulation as an interim regulation on the same matters. The Congressional Accountability Act specifies that the Notice and regulations be printed in the CONGRESSIONAL RECORD, therefore I ask unanimous consent that the notice and adopted regulations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE FAIR LABOR STANDARDS ACT OF 1938 (INTERNS; IRREGULAR WORK SCHEDULES)

NOTICE OF ADOPTION OF REGULATIONS AND SUBMISSION FOR APPROVAL AND ISSUANCE OF INTERIM REGULATIONS

Summary: The Board of Directors, Office of Compliance, after considering comments to its general Notice of Proposed Rulemaking published October 11, 1995 in the Congressional Record, has adopted, and is submitting for approval by the Congress, final regulations to implement sections 203(a)(2) and 203(c)(3) of the Congressional Accountability Act of 1995 (''CAA''). The Board is also adopting and issuing such regulations as interim regulations for the House, the Senate and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively.

For Further Information Contact: Executive Director, Office of Compliance, Room LA 200, Library of Congress, Washington, D.C. 20540–1999. Telephone: (202) 724–9250.

Background and Summary

Supplementary Information: The Congressional Accountability Act of 1995 (''CAA''), Pub. L. 104–1, 109 Stat. 3, was enacted on January 23, 1995. 2 U.S.C. sections 1301 et seq. In general, the CAA applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. In addition, the statute establishes the Office of Compliance (''Office'') with a Board of Directors (''Board'') as ''an independent office within the legislative branch of the Federal Government.'' Section 203(a) of the CAA applies the rights and protections of subsections a(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (''FLSA'') (29 U.S.C. 206(a)(1) and (d), 207, and 212(c)) to covered employees and employing offices. 2 U.S.C. section 1313. Sections 203(c) and 304 of the CAA directs the Board to issue regulations to implement the section. 2 U.S.C. sections 1313(c), 1384.

Section 203(c)(2) of the CAA directs the Board to issue substantive regulations that ''shall be the same as substantive regulations issued by the Secretary of Labor . . . except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under'' the CAA. 2 U.S.C. section 1313(c)(2). However, section 203(a)(2) excludes ''interns'' as defined by Board regulations from the definition of ''covered employee'' for the purpose of FLSA rights and protections. Additionally, section 203(c)(3) of the CAA directs the Board to issue regulations for employees ''whose work schedules directly depend on the schedule of the House of Representatives or the Senate'' that shall be ''comparable to'', rather than ''the same as'', the provisions of the FLSA that apply to employees who have irregular work schedules.

On October 11, 1995, the Board published a Notice of Proposed Rulemaking (''NPR'') in the Congressional Record (141 Cong. R. S15025 (daily ed., October 11, 1995)), inviting comments from interested parties on the proposed regulations relating to ''interns'' and ''irregular work schedules.'' Six comments were received responding to the proposed regulatory definition of ''interns,'' and thirteen on the proposed irregular work schedules regulation. Comments were received from employing offices, trade and professional associations, advocacy organizations, a labor organization, and Members of Congress. In addition, the Office has sought consultations with the Department of Labor regarding the proposed regulations, pursuant to section 304(g) of the CAA. After considering the comments received in response to the proposed rule, the Board has adopted and is submitting these regulations for approval by the Congress. Moreover, pursuant to sections 411 and 304, the Board is issuing such regulations as interim regulations. The Board is also adopting and issuing such regulations as interim regulations for the House, the Senate and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively.

I. DEFINITION OF ''INTERNS''

A. Summary of Proposed Regulation

The proposed regulation defined the term ''intern'' to be any individual who: ''(a) is performing services in an employing office as part of the pursuit of *the individual's educational objectives*,'' and ''(b) is appointed on a temporary basis for a period not to exceed one academic semester (including the period between semesters); provided that an intern may be reappointed for one succeeding temporary period.''

B. Summary of Comments

Six comments were received regarding the proposed definition of ''intern'' in the Notice of Proposed Rulemaking. The commenters agreed with the approach taken in the proposed regulation. However, commenters suggested that the proposed definition of ''interns'' was vague or overbroad in one or more respects. After considering these comments, the Board has decided to modify the regulation, as discussed below.

1. Subpart (a): Requirement that an intern ''*perform[] service as part of the pursuit of the individual's educational objectives*''

Subpart 1(a) of the proposed regulation established as the first criterion for eligibility as an ''intern'' that the individual must be ''performing services in an employing office as part of the pursuit of *the individual's educational objectives*'' (emphasis added).

Two commenters expressly approved of this subpart, and recommended that the Board not change it. One commenter argued that this criterion was overbroad and would be subject to potential abuse by employing offices because the intern need not be enrolled in an educational program in a degree-awarding institution. This commenter opined that virtually all employees view their employment as a way to achieve some ''educational objective,'' since most hope to get on-the-job experience that will qualify them for better paying opportunities. In the view of this commenter, an employing office could easily characterize the individual's work as ''in pursuit of educational objectives'' to avoid its FLSA obligations. This commenter recommended that an alternative definition of ''intern'' be adopted—one that would be modeled on the elements used to determine the status of ''trainees'' under the FLSA, which specifies that the individual must be a student enrolled in a degree program at an educational institution to qualify.

In the Board's considered judgment, requiring an intern to be enrolled in a degree program at an educational institution would be unduly restrictive because such a requirement would exclude arrangements considered valid under current internship practice. The Board does not believe Congress intended to preclude internships during a teacher's sabbatical year or between undergraduate and graduate school. Therefore, the Board does not recommend that such a requirement be imposed. Instead, the Board shall modify subpart (a) of the regulation to state that an employee must be performing services in the employing office as part of a demonstrated educational plan which should be in writing and signed by both. In the Board's view, this requirement would be satisfied where the intern is enrolled in a degree program at an educational institution or where the intern's employment is part of an educational program or plan agreed upon between the employing office and the intern. In the Board's view, these requirements will satisfactorily decrease the risk of abuse of this provision by any employing office.

2. Subpart (b): Requirement that the individual be appointed ''*on a temporary basis for a period not to exceed one academic semester (including the period between semesters); provided that an intern may be reappointed for one succeeding temporary period*''

Subpart (b) of the proposed rule set out the second criterion for determining whether an individual in an employing office would be an ''intern'': that the individual be appointed ''on a temporary basis for a period not to exceed one academic semester (including the period between semesters); provided that an intern may be reappointed for one succeeding temporary period.''

All six commenters suggested that the Board modify the proposed regulation to define a specific, determinative time limit for an internship to qualify under the regulation's definition. The commenters suggested that the length of time for a qualifying internship (and any extension thereof) under this part be expressed as a defined term of days or months. Commenters suggested periods ranging from ''120 days in any 12-month period,'' to ''5 months,'' to ''9 months.''

Three commenters suggested that the term ''academic semester'' is ambiguous because many educational institutions divide their academic calendars into ''trimesters'' or ''terms'' of varying duration as well as ''semesters.'' Similarly, some commenters found the provision that an intern may be reappointed for one succeeding ''temporary period'' ambiguous because the term ''temporary period'' was not defined and could be subject to varying interpretations.

One commenter quoted the following provision of section 3 of H.Res. 359, contained in 2 U.S.C. section 92 (Note): ''interns shall be employed primarily for their educational experience in Washington, District of Columbia, for a period not to exceed one hundred and twenty days in one year . . .'' This commenter suggested that the reference to one academic semester be changed to ''120 days in any 12 month period'' to ensure consistency with this provision.

One commenter stated that the one semester time limit may be too short, since many of the schools from which employing offices recruit interns administer their internship programs on an annual, as opposed to semester, basis. This commenter suggested that, under the current definition, employing offices will be unable to attract top-level interns and the efficiency of the offices will be undermined. The commenter suggested the applicable time limit for an intern position should be one year, defined as two consecutive semesters.

Another commenter suggested the regulation should specify that summer internships are acceptable under the rule. This commenter also recommended that the regulation expressly state that the definition of

''intern'' ''is not intended to cover other similar job positions such as volunteers or fellows, nor does it cover pages,'' which is stated in the Summary section of the NPR regarding this proposed regulation (141 Cong. R. S15025 (daily ed., October 11, 1995)).

The Board agrees that subpart (b) of the proposed regulation should be modified (1) to allow for the appointment and reappointment of interns for periods of varying length and (2) to state a definite maximum term for the entire internship, including any reappointment periods. After considering the alternatives suggested by the commenters, the Board shall modify the proposed regulation to state that an intern may be appointed for periods of any length, so long as the total period of internship does not exceed 12 months. This definition expresses the Board's understanding of the term ''academic semester'' in the proposed regulation and adopts the suggestion that the internship be subject to a defined time period unconnected to the academic calendar of any particular educational institution.

The Board notes that, since the final regulation allows internships for periods of longer than 120 days in one year, under H.Res. 359, a Member who chooses to employ an intern for longer than 120 days in a year may be required by House rules to count that intern against the 18 permanent clerk-hire allotment. However, nothing in the Board's final regulation requires an employing office to employ an intern for the entire period permitted by the definition; the final regulation simply sets a maximum period within which an internship may qualify to meet the exclusion of section 203(a)(2) of the CAA. Employing offices (or the House itself) are free to impose more stringent limitations on their employment of interns. The definition of ''intern'' in the final regulation establishes only the CAA's ceiling on the period of time an intern may be employed and still meet the exclusion of section 203(a)(2) of the CAA.

The regulation shall also state that the definition of ''intern'' does not cover volunteers, fellows or pages, as suggested by a commenter. The Board believes that, as modified, this definition makes clear that summer internships may meet the definition, provided that the other criteria of the regulation are met. Therefore, the explicit statement to that effect suggested by a commenter is unnecessary.

II. IRREGULAR WORK SCHEDULES

A. Introduction

Section 203(c)(3) of the CAA directs the Board to issue regulations for employees ''whose work schedules directly depend on the schedule of the House of Representatives or the Senate that shall be comparable to the provisions of the Fair Labor Standards Act of 1938 that apply to employees who have irregular schedules.'' Section 203(a)(3) states that, ''[e]xcept as provided in regulations under subsection (c)(3), covered employees may not receive compensatory time in lieu of overtime compensation.''

Section 1 of the rule proposed in the NPR developed a standard for determining whether an individual's work schedule ''directly depends'' on the schedule of the House of Representatives or the Senate.'' In sections 2 and 3 of the rule proposed in the NPR, the Board proposed two irregular work schedule provisions which would be applicable to such employees. Section 2 of the proposed regulation, which allowed for the use of so-called ''Belo'' agreements, was modeled almost verbatim on the requirements of section 7(f) of the FLSA. (*See* 29 U.S.C. section 207(f)). Section 3 of the proposed regulation, which was modeled on section 7(o) of the FLSA, established conditions under which employing offices could provide compensatory time off in lieu of overtime compensation to employees whose work schedules ''directly depended'' on the schedules of the House or the Senate. (*See* 29 U.S.C section 207 (o)).

In addition to inviting general comments on the regulation proposed in the NPR, the Board invited comments on four specific issues: (1) whether the regulation should be considered the sole irregular work schedules provision applicable to covered employees or whether, in addition, section 203 of the CAA applies the irregular hours provision of section 7(f) of the FLSA with respect to covered employees whose work schedules do not directly depend on the schedules of the House or the Senate; (2) whether the contracts and agreements referenced in section 2 of the proposed regulation (so-called ''Belo'' agreements) can or should be permitted to provide for a guaranty of pay for more than 60 hours and whether the terms and use of such contracts and agreements should differ in some other matter from those permitted in the private sector; (3) whether and to what extent the regulations may and should vary in any other respect from the provisions of section 7(f) of the FLSA; and (4) whether and to what extent section 7(o) of the FLSA is an appropriate model for the Board's compensatory time off regulations and whether and to what extent the Board's regulations should vary from the provisions of section 7(o) of the FLSA.

The Board has carefully reviewed the public comments received in response to the NPR and has further studied both the text and the legislative history of sections 203(a)(3) and 203(c)(3), as well as the provisions governing overtime compensation under section 7 of the FLSA. After doing so, the Board has concluded that the regulations relating to irregular work schedules should, consistent with both the special rules of sections 203(a)(3) and 203(c)(3) and established interpretations of the FLSA, be as follows:

First, for employees whose schedules directly depend upon the schedules of the House of Representatives or the Senate, the substantive regulations shall provide that an eligible employee is entitled to overtime compensation for working in excess of 40 hours but less than 60 hours in a workweek and is further entitled to overtime compensation or compensatory time off for hours worked in excess of 60 hours in a workweek. An employee's schedule shall be deemed to ''directly depend'' upon the schedule of the House or the Senate where the eligible employee performs work that directly supports the conduct of legislative or other business in the chamber and works hours that regularly change in response to the schedule of the House or the Senate.

Second, for other employees whose schedules do not ''directly depend'' upon the House or Senate schedule but who nevertheless work irregular or fluctuating work schedules, the provisions of sections 203(a)(3) and 203(c)(3) of the CAA do not apply and compensatory time off should not be available. Employing offices may nevertheless adopt any of several options, generally available under the FLSA, which satisfy overtime payment requirements in the context of irregular or fluctuating work schedules. The availability of these options addresses many of the concerns expressed in the comments received in response to the NPR.

B. Summary of Comments

1. Applicability of 7(f) of the FLSA under the CAA

In the NPR the Board asked several questions regarding the applicability of section 7(f) of the FLSA under the CAA. The commenters were divided on the question of whether the proposed regulation should be considered the sole irregular work schedule provision applicable to covered employees or whether, in addition, section 203 of the CAA applies the irregular hours provision of section 7(f) of the FLSA to covered employees whose work schedules do not directly depend on the schedule of the House or Senate.

Two commenters believed that the CAA allows an irregular work schedule provision only for employees whose work schedules directly depend on the schedules of the House or the Senate. Thus, the proposed regulation should be the sole irregular work schedule provision.

Conversely, three commenters suggested that the proposed rule should not be the sole irregular work schedule provision but that the Board should implement a second rule on irregular work schedules which applies to covered employees other than those whose schedules directly depend on the schedule of the House or Senate. These commenters noted that section 203 of the CAA expressly applies the entirety of section 7 of the FLSA to covered employees. Consequently, under the view of these commenters, section 7(f), the irregular work schedule provision of the FLSA, should apply to all covered employees, not just to those whose schedules directly depend on that of the House or Senate.

In addition to the issue of the general applicability of 7(f), the NPR posed the more specific questions of (1) whether the contracts or agreements referenced in 7(f) can or should be incorporated into the CAA's regulations so as to provide for a guaranty of pay for more than 60 hours; and (2) whether the terms and use of such contracts or agreement should differ in some other manner from those permitted in the private sector.

Three commenters specifically stated that the 60-hour maximum should apply to the proposed regulation, again relying on the rationale that the CAA requires that the Board's rules be the same as those which apply to the private sector. Further, several commenters stated that, in general, the Board's regulations which implement the CAA should not deviate from those regulations applicable under the FLSA to the private sector—which implicitly includes ''Belo'' plans.

Several commenters addressed the question of whether, as a general matter, the rule on irregular work schedules should vary from section 7(f) of the FLSA. All agreed that the regulation should not vary from section 7(f) of the FLSA. Two commenters contended that the CAA applies the FLSA to the legislative branch in the identical manner that the FLSA applies to the private sector. One commenter argued that the rule on irregular work schedules should include provisions for compensatory time off because the Board's rule need only be ''comparable'' to section 7(f) of the FLSA.

2. Definition of ''directly depends'' under section 1 of the proposed regulation

Section 1 of the proposed regulation stated that a covered employee's work schedule ''directly depends'' on the schedule of the House of Representatives ''only if the employee's workweek arrangement requires that the employee be scheduled to work during the hours that the House or Senate is in session and the employee may not schedule vacation, personal or other leave or time off during those hours, absent emergencies and leaves mandated by law.'' The proposed rule further stated that an employee's schedule on days the House or the Senate is not in session does not affect the question of whether the employee's schedule directly depends on that of the House or the Senate. Seven commenters had concerns about the definition of when an employee's work schedule ''directly depends'' on the schedule of the House or the Senate.

Four commenters found the definition too narrow, citing examples of covered employees who work for committees or support offices or agencies who they thought would not fit into a strict reading of the proposed regulation. These commenters said that employees of those offices who frequently must serve the Senate or the House ''until the conclusion of specified legislative sessions or specified legislative business'' have schedules that are determined by the House or the Senate, and not by their employing offices. Further, these commenters said that employing offices frequently limit severely their employees'' ability to take leave during these times, absent an emergency. The commenters claimed that, because the proposed rule requires that the employee's position must require them to be on duty whenever the House or the Senate is in session, it excludes the employees of those offices and committees whose schedules are clearly mandated by that of the House or the Senate but who are not necessarily required to be at work during every hour the House or the Senate is in session. These commenters further asserted that these employees may, on occasion, take leave while the House or the Senate is in session, when their issue areas or responsibilities are not scheduled for debate and that this too would make them ineligible under the proposed irregular work schedule provision. These commenters expressed concern that, if such employees do not qualify for the irregular work schedule provision, many employing offices will not be able to afford the overtime their employees presently put in on a regular basis. Apart from the actual monetary cost, these commenters could not see how such offices would be able to anticipate adequately the amounts of overtime they will have to pay when planning their budgets because of the uncertainty in their schedules.

Another commenter suggested that the rule should also make clear that employees can be granted time away from work, or work on a reduced hour schedule, while the House or the Senate is not in session, and still be covered by the irregular work schedule provision. This commenter also suggested that the regulations should give employing offices authority to determine whether schedules for their employees directly depend on the schedule of the House or the Senate.

A third commenter suggested that the Board specifically state in the rule that the irregular work schedule provisions apply to employees of committees, joint committees, and (presumably) other offices in similar situations. Alternatively, this commenter suggested that, if the Board does not wish to take that approach, the rule should be changed to state that the employee's work schedule ''directly depends'' on the schedule of the House or the Senate if that employee's ''normal workweek schedule is determined based in whole or in part on the hours the House or Senate is in session and on the legislative calendar of the House or the Senate.''

Conversely, two commenters believed that the definition in the proposed regulation of when an employee's schedule ''directly depends'' on that of the House or the Senate was too broad. One of these commenters suggested that the definition in the NPR (1) is not in keeping with what the Secretary of Labor deems an irregular work schedule in the private sector and (2) is subject to abuse by employing offices because it is too easy to meet, in this commenter's view.

This commenter asserted that the Department of Labor's regulations make it clear that employees who fall within the irregular work schedule provisions must have schedules that ''fall *above and below* the normal work week.'' According to this commenter, section 774.406 of those regulations states that, if the employee's hours fluctuate only *above* the maximum workweek prescribed in the statute, the employee's schedule is not considered irregular. This commenter insisted that the Board's proposed rule failed to include a provision that would require the employee's hours, at some point, to fall below the normal workweek schedule. This commenter saw this omission as creating an opportunity for employing offices simply to mandate that these employees be at work whenever the House or the Senate is in session, as well as working a regular forty-hour week when the House or the Senate is not in session.

A second commenter read the proposed rule as potentially allowing employing offices to include employees under the irregular work schedule provision when, in fact, those employees do not work irregular hours or have workweeks of fewer than forty hours. This commenter suggested that the Board should clarify the rule to provide that an employee's schedule ''directly depends'' on the schedule of the House or the Senate when ''the employees must, as a result of that schedule, actually work workweeks which fluctuate significantly.''

Finally, one commenter read the proposed definition as either too narrow, or too broad, depending on the intended meaning of the phrase ''during the hours that the House or Senate is in session.'' This commenter observed that, if one interprets this phrase as requiring only that some of the employee's work hours coincide with the hours the House or the Senate is in session, the definition is too broad because virtually every House or Senate employee that works on Capitol Hill would qualify. This commenter also observed that, if the phrase is read strictly to mean that an employee must work all of the hours that the House or the Senate is in session, the definition is too narrow, for the same reasons given by the four commenters discussed above. This commenter suggested that a better definition of when an employee's schedule ''directly depends'' on the schedule of the House or the Senate is when ''the employee's work schedule is dictated primarily by the schedule of the [House or the] Senate.''

3. Availability of compensatory time off and the applicability of section 7(o) of the FLSA

In the regulations proposed in the NPR, the Board also invited comment on the propriety and advisability of using section 7(o) of the FLSA, which authorizes public sector employees to give compensatory time off in lieu of overtime compensation to public sector employees, as the model for determining whether employees whose schedules directly depend on the schedule of the House or the Senate should receive compensatory time off. The commenters were divided on this issue.

Six commenters opposed the provision of compensatory time off, asserting that the Board should not use section 7(o) as a model for the Board's regulations. These commenters stated that authorization of compensatory time off under section 203(c)(3) of the CAA would be inconsistent with the strict private sector prohibition against the use of compensatory time off in lieu of overtime compensation under the FLSA.

In these commenters' view, compensatory time off under section 7(o) is not available to the private sector and, consequently, should not be available to Congress, since the CAA allegedly requires Congress to ''live by the rules of the private sector.'' Moreover, these commenters cite legislative activity of the 103rd Congress, in which various compensatory time provisions were proposed and rejected. Finally, these commenters cite various floor statements given during the debate on the CAA, which, they claim, state that compensatory time off is not available under the CAA.

One commenter argued that section 203(c)(3) of the CAA gives the Board discretion to authorize the use of compensatory time only if the ''provisions of the [FLSA] that apply to employees who have irregular schedules'' authorize such overtime. This commenter pointed to the Interpretative Bulletin found at 29 C.F.R. section 778.114, which allows fixed salaries for fluctuating workweeks, and argued that the Board is not permitted to authorize compensatory time off under its irregular work schedule regulation except insofar as time off would have to be offered and utilized pursuant to this Interpretative Bulletin, i.e., not at all.

Conversely, five commenters suggested that authorizing compensatory time off in lieu of overtime pay under the proposed regulations is appropriate under the FLSA as applied by section 203 of the CAA. Further, three of these commenters specifically stated that section 7(o) of the FLSA is an appropriate model for the Board's regulations on compensatory time off. One commenter, citing a report that accompanied H.R. 4822, in the 103rd Congress, the predecessor to the CAA (S. Rep. No. 397, 103d Cong., 2d Sess. 18 (1994)), stated that the question of compensatory time off was specifically addressed by the Congress and that section 7(o) of the FLSA was approved as the appropriate model for determining accrual and use of compensatory time off. Since H.R. 4822 was substantially the same as S.2, the bill which ultimately was enacted as the CAA, this commenter concluded that this ''legislative history'' suggests that a regulation authorizing compensatory time off and modeled after section 7(o) must also be acceptable under the CAA.

One commenter offered two further comments on the proposed rule. First, this commenter suggested that compensatory time off earned prior to January 23, 1996, should be used in accordance with the policies in effect at the time that the compensatory time was accrued, including policies governing payment for unused compensatory time upon termination of employment. According to this commenter, if no prior policies existed for use of compensatory time off, then the use of that accrued compensatory time should be governed by the new regulations. Further, this commenter argued that the 240-hour cap on accrued compensatory time should only apply to compensatory time accrued as of January 23, 1996 and that anything earned prior to that date (under the old system) should not count toward the 240-hour cap.

C. Final Regulation: The Board shall authorize employing offices to provide compensatory time off, subject to limitations, for employees whose work schedules ''directly depend'' on the schedule of the House or the Senate. In addition, the provisions of the FLSA as applied to covered employers under section 203 of the CAA authorize employing offices to utilize several methods of computing pay for employees who work irregular or fluctuating hours.

In addition to the options available to private sector employers under the FLSA for addressing irregular or fluctuating work hours, the regulations adopted by the Board shall allow employing offices additional flexibility in the case of employees whose work schedules ''directly depend'' on the schedule of the House or the Senate. Specifically, for these employees, the Board's regulations shall provide for compensatory time off in lieu of overtime compensation to a limited extent.

1. Compensatory time-off

At the outset, the Board rejects the argument made by several commenters that allowing compensatory time off in lieu of overtime pay is not within the Board's discretion. Section 203(c)(3) provides that the Board may issue regulations for covered employees whose schedules ''directly depend'' on the schedule of the House or the Senate ''that shall be comparable to the provisions of the [FLSA] that apply to employees who have irregular schedules.'' In turn, section 203(a)(3) of the CAA provides that, ''[e]xcept as provided in regulations under subsection (c)(3), covered employees may not receive compensatory time in lieu of overtime compensation.'' The plain import of this statutory language is that the Board may provide for compensatory time off in its irregular work schedule regulations; indeed, any other construction of the statute would render the exception clause of section 203(a)(3) meaningless, which traditional canons of construction generally forbid.

While legislative history cannot in any event rewrite such statutory text, the Board also notes that, contrary to the argument of some commenters, nothing in the CAA's legislative history in fact forbids the Board from authorizing compensatory time off in lieu of overtime compensation for employees whose schedules directly depend on the schedule of the House or the Senate. The only legislative materials of the 104th Congress referenced by these commenters are a floor statement by a Senator and the section-by-section analysis submitted during the Senate's consideration of the CAA. See 141 Cong. Rec. S445 (daily ed., Jan. 5, 1995); 141 Cong. Rec. S623-S624 (daily ed., Jan. 9, 1995). However, the referenced floor statement and section-by-section analysis were made in the context of discussing the general prohibition of compensatory time off under section 203(a)(3) of the CAA (and under section 7(a) of the FLSA). They were not made in reference to the specific terms of sections 203(a)(3), which explicitly do not proscribe the authorization of compensatory time off in the context of employees whose schedules directly depend on the schedule of the House or the Senate. Indeed, not only do these sections not explicitly proscribe the authorization of compensatory time-off in this context, they in fact implicitly authorize compensatory time-off in this one specified circumstance.

Some commenters referred to legislative activity of the 103rd Congress in arguing that compensatory time-off may not be allowed. But, as noted above, legislative history is not law and cannot properly be used to rewrite statutory text. Moreover, to the extent that legislative history of a prior Congress is relevant in determining the meaning of an act passed by the current Congress (but see *Landgraf* v. *USI Film Products*, 114 S.Ct. 1483, 1496 (1994)), the ''legislative history'' cited is, in all events, consistent with the approach taken by the Board.

For example, S. 1824, which was considered by the 103rd Congress, applied the protections of the FLSA to the Senate, but exempted employees whose work schedules are dependent on the legislative schedule of the Senate. See S. 1824, section 304(b); S. Rep. 103–297 (103d Cong., 2d Sess.) at p. 31 (1994). Because employees whose schedules are ''dependent'' on the Senate's schedule were completely excluded from FLSA protections under S. 1824, there was no need to consider the compensatory time off issue for those employees. Similarly, H.R. 4822, which was sent to the Senate on August 12, 1994, expressly allowed compensatory time off for all covered employees to the same extent that section 7(o) of the FLSA authorized compensatory time off for state and local government employees. See H.R. 4822, section 103(a)(3); S. Rep. 103–397 (103d Cong., 2d Sess.) at p. 18 (1994). Finally, H.R. 4822, as reported by the House, gave the Office of Compliance authority to consider the appropriate rule for employees with irregular schedules. See H.Rep. 103–650 (Part 2) (103d Cong., 2d Sess.) at p. 15 (1994). Clearly, to the extent that it is relevant, the available legislative history from the 103rd Congress does not reflect an intent categorically to prohibit the Board from allowing compensatory time off for employees with schedules that directly depend on the schedules of the House or the Senate.

Some commenters also referred to statements of legislators written after the CAA was passed regarding Congress's alleged intent regarding compensatory time off. However, courts do not view after-the-fact statements by proponents of a particular interpretation of a statute as a reliable indication of what Congress intended when it passed a law, even assuming that extra-textual sources are to any extent reliable for this purpose. See *Gustafson* v. *Alloyd Co., Inc.*, 115 S.Ct. 1061, 1071 (1995). The Board thus does not find such statements to limit its discretion under the statute as enacted.

The Board also does not agree with the commenters who asserted that the CAA uniformly adopts all aspects of private sector law in applying rights and protections to covered employees and employing offices within the legislative branch. The Board notes, for example, that section 225(c) of the CAA prohibits any award of civil penalties or punitive damages against offending employers, even though such penalties and damages would be available in private sector actions. Similarly, the Board notes that section 203(a)(2) excludes ''interns'' from the rights and protections of the FLSA, even though in many cases such interns would be entitled to such rights and protections under the same circumstances in the private sector. The Board further notes that covered employees asserting FLSA rights and protections must first exhaust confidential counseling and mediation remedies prior to filing an action in federal court; in contrast, private sector FLSA plaintiffs may proceed directly to court. In addition, the Board notes that, whereas private sector FLSA plaintiffs enjoy a limitations period of two years (three in the case of willful violations), 29 U.S.C. section 255, covered employees must initiate claims within 180 days of an alleged violation. See sections 402 and 225(d)(1) of the CAA. In short, private sector employers and employing offices under the CAA are treated differently in several instances; and sections 203 (a)(3) and (c)(3) indicate that the use of compensatory time off in the context of employees whose schedules directly depend on the schedules of the House and the Senate is one of the allowable differences.

That the CAA does not foreclose the Board from authorizing compensatory time off, of course, does not end the inquiry. The question remains whether the Board in its discretion should allow the use of compensatory time off in connection with employees whose schedules directly depend on the schedules of the House and the Senate, and if so, to what extent it should do so. In the rule proposed in the NPR, the Board proposed to do so and to use section 7(o) as the model for doing so. However, in the NPR, the Board also specifically invited comment on both its approach and the advisability of using section 7(o) as the regulatory model for this purpose. Upon both further reflection and consideration of the comments received, the Board has determined that, while use of compensatory time off should still be allowed in this context, section 7(o) may not be the most apt analogy.

The Board continues to find that the use of compensatory time off in lieu of overtime pay should be allowed in the context of employees whose schedules ''directly depend'' upon the schedules of the House or the Senate. The import of section 203(a)(3) is that Congress contemplated that compensatory time off could be allowed in this unique context. Moreover, section 203(c)(3) suggests a special concern and desire by Congress for providing flexibility in connection with employees whose schedules ''directly depend'' on the schedules of the House and the Senate. The comments received confirm that the work schedules of these unique employees justify special rules that both protect these employees' rights and yet allow for flexibility and cost-control on the part of their employing offices. In the Board's judgment, use of compensatory time off is thus appropriate in this context.

The Board is now convinced, however, that section 7(o) of the FLSA is not the proper model for compensatory time off regulations in this context. Section 7(o) was not designed for and is not limited to employees with irregular work schedules; nor was section 7(o) designed for or limited to employees whose schedules directly depend upon the schedules of the House and the Senate. Accordingly, the Board has concluded, as a matter of discretion, that its regulations in this context should not be modeled after section 7(o).

Rather, the Board has concluded that section 7(f) of the FLSA is the more appropriate starting point for integrating compensatory time off into the CAA scheme. Section 7(f) was expressly designed for employees with irregular work schedules. It thus provides a more apt starting point for the development of regulations concerning employees whose irregular work schedules arise from the schedules of the House and the Senate. Moreover, using section 7(f) as the starting point for regulations has the advantage of building on a structure that already attempts to accommodate the needs of employers of employees with irregular work schedules and the FLSA rights of those employees.

Of course, section 7(f) was not explicitly designed for employers of employees whose schedules directly depend on the schedules of the House or the Senate. And section 203(c)(3) instructs that the Board's regulations for those employees need only be ''comparable'' and not the ''same as'' the provisions of the FLSA that address employees with irregular work schedules. Thus, the provisions of section 7(f) may properly be adjusted in order best to address the FLSA rights and obligations under the CAA of employees and employing offices in this special context.

Upon both further reflection and consideration of the comments received, the Board in its considered judgment has concluded that the irregular work schedule provisions of section 7(f) should be modified for employees whose work schedules ''directly depend'' on the schedule of the House or Senate as follows:

(1) No agreement between the employee and the employing office should be required in this context; the authorization for differential treatment of such employees derives from section 203(c)(3) and the Board's regulations implementing that section of the CAA;

(2) The employee's duties need not necessitate irregular hours of work within the meaning of section 7(f); instead, the employee need only be one of those employees whose work ''directly depends'' on the schedule of the House or the Senate (as defined in these regulations);

(3) The employee's hours may permissibly fluctuate only in the overtime range, as the statutory concern here is obviously the unpredictability in work schedules that derives

from the conduct of the nation's federal legislative business;

(4) Compensatory time off may be paid in lieu of overtime compensation for any hours worked in excess of 60 hours in a workweek. For overtime hours over 40 and up to 60 hours, the employing office must pay appropriate overtime compensation as otherwise required by the CAA. Of course, if the requirements of section 7(f) are met, pay for the first 60 hours of employment could be governed by that section. This limited use of compensatory time off rules is consistent with the language and evident purpose of sections 203 (a)(3) and (c)(3); it provides employing offices with some flexibility and control over costs in this context; and, by requiring employing offices to pay overtime for the first 20 hours of overtime in a week, it provides sufficient disincentives for employing offices to abuse the use of the provision; and,

(5) An employee who has accrued compensatory time off under section 2, upon his or her request, shall be permitted by the employing office to use such time within a reasonable period after making the request, unless the employing office makes a bona fide determination that the needs of the operations of the office do not allow the taking of compensatory time off at the time of request. An employee may renew the request at a subsequent time. An employing office may, upon reasonable notice, require an employee to use accrued compensatory time-off. Upon termination of employment, the employee shall be paid for any unused compensatory time at the rate earned by the employee at the time the employee receives such payment.

The above rules are sufficiently similar to the provisions of section 7(f) as to be ''comparable'' within the meaning of section 203(c)(3). See Webster's Third New International Dictionary 461 (1968) (''comparable'' defined as ''having enough like characteristics or qualities to make comparison appropriate,'' ''permitting or inviting comparison often in one or two salient points,'' ''equivalent, similar''). In the Board's judgment, these rules also best balance and accommodate the rights and obligations of covered employees and employing offices under the CAA.

Finally, as to issues relating to compensatory time off that accrued under other rules prior to January 23, 1996, the effective date of the CAA, the Board concludes that its regulations do not apply. Disputes over the use of such accrued time off, even if they arise after January 23, 1996, are not governed by these regulations and should be directed to the authorities previously responsible for such rules.

2. The standard for determining when an employee's schedule ''directly depends'' on the schedule of the House or the Senate

Just as it is clear that the Board may authorize compensatory time off in lieu of overtime compensation for employees whose schedules ''directly depend'' upon the schedules of the House or the Senate, it is equally evident that Congress did not intend that it be made available to all covered employees. Using words of limitation, the CAA states that only those employees whose work schedules ''directly depend'' on the schedule of the House or the Senate may qualify for compensatory time off in lieu of overtime pay.

Of course, as the comments demonstrate, the phrase ''directly depend'' is not entirely free of ambiguity. In a broad sense, the times in which the House or the Senate convene to conduct legislative business will impact in varying degrees on the schedule of practically all who work on Capitol Hill or for Members of Congress, much like the ripple effect of a pebble tossed into water. Thus, an expansive interpretation of ''directly depends''—i.e., if it need only be demonstrated that an employee's work hours at any point were influenced to some extent by a daily session of either legislative body—would make compensatory time off almost universally available.

There is no reason to believe that Congress intended such an expansive interpretation of the statutory phrase. The term ''directly'' connotes a narrower rather than a broader meaning and, indeed, suggests that a relatively immediate connection between the employee's work schedule and changes in the schedule of the House or the Senate was contemplated. Moreover, since sections 203(a)(3) and 203(c)(3) textually refer to each other, and since the allowance of compensatory time off in the context of regulations implementing section 203(c)(3) was to be the exception rather than the rule, a narrower definition of ''directly depend'' is necessary to honor the statutory text and structure (as well as the general legislative history on the limited availability of compensatory time off).

The question remains, of course, how the term ''directly depend'' should be defined. In the Board's judgment, the following considerations are relevant:

First, in making the ''schedule'' of the House and the Senate determinative, Congress appears to have been focusing on the floor activities that occur in each chamber. Each body's ''schedule'' generally has meaning only in reference to the times at which each House's respective leadership plans to convene a daily session in order to conduct legislative business. While the congressional leaders can decide when to convene a session and what to place on the calendar, the dynamic nature of the legislative process often makes it difficult to control when business will be concluded. For example, a session of the Senate may be unexpectedly protracted by unlimited debate on an issue. Similarly, the schedule of the House may be upset if a bill is brought to the floor under an ''open rule'' that allows unlimited amendments. Also, as recent experience has demonstrated once again, both Houses are often required to remain in session for extended hours in an effort to resolve differences between the two Houses or between the Congress and the President. This dynamic makes the schedules of the House and the Senate highly irregular and, at times, long, thereby requiring certain employees to work in excess of the maximum workweek prescribed by the FLSA.

Second, in using the adverb ''directly'' to modify ''depend,'' Congress also appears to have required a relatively close nexus between the floor activities of each body and the work schedule of an eligible covered employee. (See the floor statement of Senator Grassley at 141 Cong. Rec. S624, Jan. 9, 1995: '''Directly' is to be strictly limited to those employees who are essentially floor staff.'') From a functional standpoint, the practical reality is that the conduct of legislative business in each chamber requires the efforts of those who literally work in or adjacent to each chamber—such as the legislative clerks, those who staff the cloakrooms, those who provide security, the reporters of debates, and the parliamentarians' staff. Practically, the conduct of legislative business also requires the efforts of some who are not located in either chamber but whose work is directly linked to floor activity on a day-to-day basis—such as those who operate the microphones or the remote cameras that televise the proceedings, those in the Document Rooms, those who maintain the various legislative computer systems that control the House voting system or that track the proceedings, and those, like the staff of the legislative counsel's offices, who must be available to address substantive matters that may arise in the course of deliberations. These personnel must generally be in attendance, and their employing offices open and staffed, if the two Houses of Congress are to conduct legislative business. By the same token, during those periods when the House or the Senate is not in session, the level of required work may be considerably diminished, thus affording such employees ample opportunity to utilize accrued compensatory time-off.

The Board recognizes that, in a sense, the work of employing offices such as legislative committees and joint committees is linked to the schedules of the House and the Senate—at least when legislation reported out of such committees is placed on the calendar for debate. The Board also recognizes that, in the same sense, employees of committee offices may sometimes have irregular work hours that balloon with protracted consideration of their bills on the floor. However, it is also true that the work of such offices and employees tends not to ebb and flow in the same sense or to the same degree as that of those offices and employees more closely tied to floor activity. Moreover, during those days when the House or the Senate is not in session or has only an abbreviated *pro forma* session, these committees still conduct hearings or at the very least their staffs are likely to be engaged in a full range of activities associated with considering legislation for hearing, for markup or for oversight. These employing offices, thus, maintain a schedule of activities that is separate from and independent of the schedule of the House or the Senate. It, therefore, makes much less sense to say that their employees have schedules that ''directly depend'' upon the schedule of either body, as contemplated by section 203(c)(3).

Based on these considerations, the Board shall adopt a definition of ''directly depends'' that requires the eligible employee to perform work that directly supports the conduct of business in legislative areas in the chamber and to work hours that regularly change in response to the schedules of the House or the Senate.

3. The provisions of the FLSA as applied under section 203 of the CAA authorize employing offices to utilize several methods to compute overtime for employees who work irregular or fluctuating hours

In so framing its rules, the Board understands that its regulations under section 203(c)(3) will not themselves resolve all of the concerns raised by commenters regarding the ability of employing offices to anticipate and control payroll costs associated with employees who work fluctuating or irregular hours. But the Board frankly finds that many of these concerns are simply concerns with the obligations that the CAA has imposed on employing offices (just as the FLSA imposes them on other employers); and the Board must reiterate that it generally cannot and should not, in the absence of authority to do so, attempt to resolve for employing offices cost and other such concerns that derive from FLSA compliance obligations under the CAA. Moreover, many of the concerns that have been raised may be addressed by employing offices by resort to methods available under the FLSA to employers generally to potentially control their total payroll and to offset costs due to overtime compensation obligations incurred in a particular workweek. Such methods are also available to employing offices under the CAA, and many of the concerns raised by employing offices may be adequately addressed through the use of these mechanisms.

a. Section 7(f) of the FLSA and ''Belo Contracts''

One method of reducing overtime costs available in some situations under the FLSA is the so-called ''Belo'' contract, a form of guaranteed compensation that includes a certain amount of overtime. Codified by section 7(f) of the FLSA, Belo contracts allow an employer ''to pay the same total compensation each week to an employee who works overtime and whose hours of work vary from week to week.'' 29 CFR section 778.403. *See* 29 CFR section 778.404, *citing Walling* v. *A.H. Belo Co.*, 316 U.S. 624 (1942). Such a contract affords to the employee the security of a regular weekly income and benefits the employer by enabling it to anticipate and control in advance at least some part of its labor costs. A guaranteed wage plan also provides a means of limiting overtime computation costs so that wide leeway is provided for having employees work overtime without increasing the cost to the employer. 29 CFR section 778.404.

Belo contracts may be used by employers where the following four requirements of section 7(f) are met:

(1) the arrangement is pursuant to a specific agreement between the employee and the employer or to a collective bargaining agreement;

(2) the employee's duties necessitate irregular hours of work;

(3) the fluctuation in the employee's hours is not entirely in the overtime range; and

(4) the contract guarantees a weekly overtime payment not to exceed 60 hours per week and the employee receives that payment regardless of the number of hours actually worked.

29 U.S.C. section 207(f); 29 C.F.R. sections 778.406, 778.407.

Section 7(f) of the FLSA is applicable to covered employees and employing offices under section 203(a) of the CAA. Therefore, an employing office may utilize a ''Belo'' contract where the above-referenced requirements of section 7(f) are satisfied.

b. Time off plans

An alternative approach that is less complex than a ''Belo'' contract is a time off plan. Under such a plan, an employer lays off the employee a sufficient number of hours during some other week or weeks of *the pay period* to offset the amount of overtime worked (i.e., at the one and one-half rate) so that the desired wage or salary for the pay period covers the total amount of compensation, including the overtime compensation, due the employee for each workweek taken separately.

A simple illustration of such a plan is as follows: An employee is paid on a biweekly basis of $400 at the rate of $200 per week for a 40 hour workweek. In the first week of the pay period, the employee works 44 hours and would be due 40 hours times $5 plus 4 hours times $7.50, for a total of $230 for the week. Payment of $400 at the end of the biweekly pay period satisfies the monetary requirements of the FLSA, if the employer permits the employee to work only 34 hours during the second week of the pay period.

The control of earnings by control of the number of hours that an employee is permitted to work is the essential principle of the time off plan. For this reason, such a plan cannot be applied to an employee whose pay period is weekly, nor to a salaried employee who is paid a fixed salary to cover all hours that the employee may work in any particular workweek or pay period. Further, the overtime hours cannot be accumulated and the time off given in another pay period.

Time off plans are authorized under section 7(a) of the FLSA. *See, e.g.*, Wage and Hour Administrator Opinion Letter, issued 1950; Wage and Hour Opinion letter dated December 27, 1968. Thus, employing offices are authorized to use such plans under section 203 of the CAA.

c. Fixed salary for fluctuating hours

A third approach for dealing with fluctuating or irregular work schedules of a salaried employee is for an employer to have an understanding with the employee that the fixed salary amount is to be considered straight time pay for all hours, whatever the number, worked in a week. The FLSA permits such an arrangement where two conditions are satisfied: (1) the salary is sufficient to provide compensation to the employee at a rate not less than the applicable minimum wage rate for every hour worked in those workweeks in which the number of hours that the employee works is greatest; and (2) the employee receives extra compensation, in addition to such salary, for all overtime hours worked at a rate not less than one-half the employee's regular rate of pay. Since the salary in such a situation is intended to compensate the employee at straight time rates for whatever hours are worked in the workweek, the regular rate of the employee will vary from week to week and is determined by dividing the number of hours worked in the workweek into the amount of the salary to obtain the applicable hourly rate for the week. Payment for overtime hours at one-half such rate in addition to the salary satisfies the overtime pay requirement because such hours have already been compensated at the straight time regular rate under the salary arrangement.

As with time off plans, fixed salaries for fluctuating hours are permitted under section 7(a) of the FLSA. *See generally* 29 CFR section 778.114. Thus, employing offices are authorized to implement such schedules under the CAA, provided that they meet the requirements thereunder.

II. Adoption of Proposed Rules as Final Regulations under Section 304(b)(3) and as Interim Regulations

Having considered the public comments to the proposed rules, the Board pursuant to section 304(b) (3) and (4) of the CAA is adopting these final regulations and transmitting them to the House and the Senate with recommendations as to the method of approval by each body under section 304(c). However, the rapidly approaching effective date of the CAA's implementation necessitates that the Board take further action with respect to these regulations. For the reasons explained below, the Board is also today adopting and issuing these rules as *interim* regulations that will be effective as of January 23, 1996 or the time upon which appropriate resolutions of approval of these interim regulations are passed by the House and/or the Senate, whichever is later. These interim regulations will remain in effect until the earlier of April 15, 1996 or the dates upon which the House and Senate complete their respective consideration of the final regulations that the Board is herein adopting.

The Board finds that it is necessary and appropriate to adopt such interim regulations and that there is ''good cause'' for making them effective as of the later of January 23, 1996, or the time upon which appropriate resolutions of approval of them are passed by the House and the Senate. In the absence of the issuance of such interim regulations, covered employees, employing offices, and the Office of Compliance staff itself would be forced to operate in regulatory uncertainty. While section 411 of the CAA provides that, ''if the Board has not issued a regulation on a matter for which this Act requires a regulation to be issued, the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue in the proceeding,'' covered employees, employing offices and the Office of Compliance staff might not know what regulation, if any, would be found applicable in particular circumstances absent the procedures suggested here. The resulting confusion and uncertainty on the part of covered employees and employing offices would be contrary to the purposes and objectives of the CAA, as well as to the interests of those whom it protects and regulates. Moreover, since the House and the Senate will likely act on the Board's final regulations within a short period of time, covered employees and employing offices would have to devote considerable attention and resources to learning, understanding, and complying with a whole set of default regulations that would then have no future application. These interim regulations prevent such a waste of resources.

The Board's authority to issue such interim regulations derives from sections 411 and 304 of the CAA. Section 411 gives the Board authority to determine whether, in the absence of the issuance of a final regulation by the Board, it is necessary and appropriate to apply the substantive regulations of the executive branch in implementing the provisions of the CAA. Section 304(a) of the CAA in turn authorizes the Board to issue substantive regulations to implement the Act. Moreover, section 304(b) of the CAA instructs that the Board shall adopt substantive regulations ''in accordance with the principles and procedures set forth in section 553 of title 5, United States Code,'' which have in turn traditionally been construed by courts to allow an agency to issue ''interim'' rules where the failure to have rules in place in a timely manner would frustrate the effective operation of a federal statute. See, e.g., *Philadelphia Citizens in Action* v. *Schweiker*, 669 F.2d 877 (3d Cir. 1982). As noted above, in the absence of the Board's adoption and issuance of these interim rules, such a frustration of the effective operation of the CAA would occur here.

In so interpreting its authority, the Board recognizes that in section 304 of the CAA, Congress specified certain procedures that the Board must follow in issuing substantive regulations. In section 304(b), Congress said that, except as specified in section 304(e), the Board must follow certain notice and comment and other procedures. The interim regulations in fact have been subject to such notice and comment and such other procedures of section 304(b).

In issuing these interim regulations, the Board also recognizes that section 304(c) specifies certain procedures that the House and the Senate are to follow in approving the Board's regulations. The Board is of the view that the essence of section 304(c)'s requirements are satisfied by making the effectiveness of these interim regulations conditional on the passage of appropriate resolutions of approval by the House and/or the Senate. Moreover, section 304(c) appears to be designed primarily for (and applicable to) final regulations of the Board, which these interim regulations are not. In short, section 304(c)'s procedures should not be understood to prevent the issuance of interim regulations that are necessary for the effective implementation of the CAA.

Indeed, the promulgation of these interim regulations clearly conforms to the spirit of section 304(c) and, in fact promotes its proper operation. As noted above, the interim regulations shall become effective only upon the passage of appropriate resolutions of approval, which is what section 304(c) contemplates. Moreover, these interim regulations allow more considered deliberation by

the House and the Senate of the Board's final regulations under section 304(c).

The House has in fact already signalled its approval of such interim regulations both for itself and for the instrumentalities. On December 19, 1995, the House adopted H. Res. 311 and H. Con. Res. 123, which approve ''on a provisional basis'' regulations ''issued by the Office of Compliance before January 23, 1996.'' The Board believes these resolutions are sufficient to make these interim regulations effective for the House on January 23, 1996, though the House might want to pass new resolutions of approval in response to this pronouncement of the Board.

To the Board's knowledge, the Senate has not yet acted on H. Con. Res. 123, nor has it passed a counterpart to H. Res. 311 that would cover employing offices and employees of the Senate. As stated herein, it must do so if these interim regulations are to apply to the Senate and the other employing offices of the instrumentalities (and to prevent the default rules of the executive branch from applying as of January 23, 1996).

III. METHOD OF APPROVAL

The Board received no comments on the method of approval for these regulations. Therefore, the Board continues to recommend that (1) the version of the proposed regulations that shall apply to the Senate and employees of the Senate should be approved by the Senate by resolution; (2) the version of the proposed regulations that shall apply to the House of Representatives and employees of the House of Representatives should be approved by the House of Representatives by resolution; and (3) the version of the proposed regulations that shall apply to other covered employees and employing offices should be approved by the Congress by concurrent resolution.

With respect to the interim version of these regulations, the Board recommends that the Senate approve them by resolution insofar as they apply to the Senate and employees of the Senate. In addition, the Board recommends that the Senate approve them by concurrent resolution insofar as they apply to other covered employees and employing offices. It is noted that the House has expressed its approval of the regulations insofar as they apply to the House and its employees through its passage of H. Res. 311 on December 19, 1995. The House also expressed its approval of the regulations insofar as they apply to other employing offices through passage of H. Con. Res. 123 on the same date; this concurrent resolution is pending before the Senate.

Accordingly, the Board of Directors of the Office of Compliance hereby adopts and submits for approval by the Congress and issues on an interim basis the following regulations:

ADOPTED REGULATIONS—AS INTERIM REGULATIONS AND AS FINAL REGULATIONS

Regulation defining ''Interns'' (implementing section 203(a)(3) of the CAA)

Section 1. An intern is an individual who:

(a) is performing services in an employing office as part of a demonstrated educational plan, and

(b) is appointed on a temporary basis for a period not to exceed 12 months; provided that if an intern is appointed for a period shorter than 12 months, the intern may be reappointed for additional periods as long as the total length of the internship does not exceed 12 months.

Section 2. The definition of intern does not include volunteers, fellows or pages.

[Senate version:] Section 2. An intern for the purposes of section 203(a)(2) of the Act also includes an individual who is a senior citizen intern appointed under S. Res. 219 (May 5, 1978, as amended by S. Res. 96, April 9, 1991), but does not include volunteers, fellows or pages.

Duration of interim regulations

These interim regulations for the House, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate.

ADOPTED REGULATIONS—AS INTERIM REGULATIONS AND AS FINAL REGULATIONS

Regulation concerning employees whose work schedules directly depend on the schedule of the House of Representatives or the Senate (implementing section 203(c)(3) of the CAA)

Section 1. For the purposes of this Part, a covered employee's work schedule ''directly depends'' on the schedule of the House of Representatives [the Senate] only if the eligible employee performs work that directly supports the conduct of legislative or other business in the chamber and works hours that regularly change in response to the schedule of the House and the Senate.

Section 2. No employing office shall be deemed to have violated section 203(a)(1) of the CAA, which applies the protections of section 7(a) of the Fair Labor Standards Act (''FLSA'') to covered employees and employing office, by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under section 7(a) of the FLSA where the employee's work schedule directly depends on the schedule of the House of Representatives [Senate] within the meaning of section 1, and: (a) the employee is compensated at the rate of time-and-a-half in pay for all hours in excess of 40 and up to 60 hours in a workweek, and (b) the employee is compensated at the rate of time-and-a half in either pay or in time off for all hours in excess of 60 hours in a workweek.

Section 3. An employee who has accrued compensatory time off under section 2, upon his or her request, shall be permitted by the employing office to use such time within a reasonable period after making the request, unless the employing office makes a bona fide determination that the needs of the operations of the office do not allow the taking of compensatory time off at the time of the request. An employee may renew the request at a subsequent time. An employing office may also, upon reasonable notice, require an employee to use accrued compensatory time-off.

Section 4. An employee who has accrued compensatory time authorized by this regulation shall, upon termination of employment, be paid for the unused compensatory time at the rate earned by the employee at the time the employee receives such payment.

Duration of interim regulations

These interim regulations for the House, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate.

NOTICE OF ADOPTION OF PROCEDURAL RULES

Mr. THURMOND. Mr. President, pursuant to the Congressional Accountability Act of 1995, a Notice of Adoption of Regulations and Submission for Approval and Issuance of Interim Regulations, together with a copy of the adopted regulations, was submitted by the Office of Compliance, U.S. Congress. These final rules implement the rights and protections of the following statutes made applicable by the Congressional Accountability Act: Family and Medical Leave Act, Worker Adjustment and Retraining Notification Act, Fair Labor Standards Act, Employee Polygraph Protection Act. The final rules also implement regulations regarding the use of the lie detector tests by the Capitol Police.

The notice announces the adoption of the final regulation as an interim regulation on the same matters. Additionally, these notices include the Board's recommendation as to the method of House and Senate approval of the final regulations.

The Congressional Accountability Act specifies that the notice and regulations be printed in the CONGRESSIONAL RECORD. Therefore, I ask unanimous consent that the notice and adopted regulations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE FAMILY AND MEDICAL LEAVE ACT OF 1993

NOTICE OF ADOPTION OF REGULATIONS AND SUBMISSION FOR APPROVAL AND ISSUANCE OF INTERIM REGULATIONS

Summary: The Board of Directors of the Office of Compliance, after considering comments to its general Notice of Proposed Rulemaking published on November 28, 1995 in the Congressional Record, has adopted, and is submitting for approval by the Congress, final regulations to implement section 202 of the Congressional Accountability Act of 1995 (''CAA'') (2 U.S.C. §§1301 et seq.), which applies certain rights and protections of the Family and Medical Leave Act of 1993. The Board is also adopting and issuing such regulations as interim regulations for the House of Representatives, the Senate, and the employing offices of the intstrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

For Further Information Contact: Executive Director, Office of Compliance, Room LA 200, John Adams Building, 110 Second Street, S.E., Washington, D.C. 20540–1999. Telephone (202) 724–9250.

Background and summary

Supplementary Information: The Congressional Accountability Act of 1995 (''CAA''), Pub. L. 104–1, 109 Stat. 3 (2 U.S.C. §§1301 *et seq.*), was enacted January 23, 1995. In general the CAA applies the rights and protections of eleven federal labor and employment laws to covered employees and employing offices within the legislative branch. In addition, the statute establishes the Office of Compliance (''Office'') with a Board of Directors (''Board'') as ''an independent office within the legislative branch of the Federal Government.'' 2 U.S.C. §1381(a).

Section 202 of the CAA (2 U.S.C. §1312) applies the rights and protections of certain sections of the Family and Medical Leave Act of 1993 (''FMLA'') (29 U.S.C. §§2611 et seq.). The FMLA generally requires employers to permit covered employees to take up to 12 weeks of unpaid, job-protected leave during a 12-month period for the birth of a child and to care for the newborn; placement of a child for adoption or foster care; care of a spouse, child, or parent with a serious health condition; or an employee's own serious health condition.

Sections 202(d) and 304 of the CAA (2 U.S.C. §§1312(d), 1384) direct the Board to issue regulations implementing section 202. Section 202(d)(2) further directs the Board to issue substantive regulations that ''shall be the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 202] except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.''

On September 28, 1995, the Board issued an Advance Notice of Proposed Rulemaking (''ANPR'') soliciting comments from interested parties in order to obtain information and participation early in the rulemaking process. 141 Cong. Rec. S14542 (daily ed., Sept. 28, 1995). Based on the comments received on the ANPR and consultations with interested parties, the Board published in the Congressional Record a Notice of Proposed Rulemaking (''NPR'') on November 28, 1995. 141 Cong. Rec. S17627–S17652 (daily ed., Nov. 28, 1995). In response to the NPR, the Board received 5 written comments, of which four were from offices of the Congress and congressional instrumentalities and one was from a labor organization. The comments included specific recommendations to either supplement or modify regulations proposed in the NPR, or to clarify how certain regulations would apply in fact-specific instances. In addition, the Office has sought consultations with the Department of Labor regarding the proposed regulations, pursuant to section 304(g) of the CAA.

After full consideration of the comments received, the Board has adopted and is submitting these regulations for approval by the Congress. Moreover, pursuant to sections 411 and 304 of the CAA, the Board is adopting and issuing such regulations as interim regulations for the House, the Senate, and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Boards final regulations are passed by the House and the Senate, respectively, whichever is earlier.

I. SUMMARY AND BOARD CONSIDERATION OF COMMENTS

A. Eligibility for family and medical leave

Under section 202(a)(2)(B) of the CAA, an ''eligible employee'' is defined as a covered employee who has been employed in ''any employing office for 12 months and for at least 1,250 hours of employment during the previous 12 months.'' 2 U.S.C. §1312(a)(2)(B). Section 825.110 of the Board's proposed regulations provided that, if an employee worked for two or more employing offices, the time worked would be aggregated to determine whether it equals 12 months, and the hours of service would be aggregated to determine whether the minimum of 1,250 hours has been reached.

As explained in the NPR, the statutory phrase ''in any employing office'' is ambiguous when considered in isolation; it could mean in any one employing office, or it could mean that months and hours may be aggregated from every employing office where an employee worked. The Board explained in the NPR that the better reading of the CAA language is the latter one, and the Board adheres to that view.

The definition of ''eligible employee'' in the FMLA states explicitly that the required 12 months must have been served with ''the employer with respect to whom leave is requested,'' and that the requisite 1,250 hours must also have been served with ''such employer.'' However, in the CAA, Congress substituted the phrase ''any employing office'' in place of the FMLA's specific references to the employer from whom leave is requested. This substitution suggests that eligibility should be determined on the basis of months and hours worked for ''any employing office,'' including offices other than just the one from which leave is requested. This interpretation, in fact, conforms to the interpretation stated in the section-by-section analysis that the principal Senate sponsors of the CAA placed into the Congressional Record during Senate consideration of this legislation. 141 Cong. Rec. S623 (daily ed., Jan. 9, 1995) (section-by-section analysis).

One commenter stated that, in its view, each employing office is a separate, independent employer and that employees therefore should not be able to aggregate the months and hours worked for more than one employing office to establish or maintain FMLA eligibility. The commenter acknowledged that the Board's proposed regulations do not adopt that position and urged that, at a minimum, the Board should consider the Senate to be a separate employer from the other entities covered by the CAA. The commenter argued that, in its view, this alternative position is supported by the fact that section 304(a)(2) of the CAA requires the Board to issue three separate bodies of regulations, including one body of regulations that shall apply to the Senate and employees of the Senate. Therefore, according to the commenter, the Board's regulations for the Senate must define ''employing office'' to include only Senate offices and should not allow months and hours worked at employing offices outside of the Senate to be considered in determining employee eligibility for family and medical leave.

But the definition of ''eligible employee'' in the CAA uses the term ''employing office,'' not the term ''employer,'' and the issue is whether this definition in the CAA requires aggregation of months and hours worked in ''any employing office.'' Whether different employing offices are separate, independent ''employers,'' and whether the Senate is a separate ''employer,'' begs resolution of this question.

Moreover, the provision of the CAA cited by the commenter, entitled ''Rulemaking procedure,'' is part of the CAA section that establishes the procedures for adoption, approval, and issuance of the Board's substantive regulations. 2 U.S.C. §1384(a)(2). The cited provision requires the Board to divide its substantive regulations into three parts—for the Senate, for the House of Representatives, and for other employing offices—in order to enable the Office of Compliance, and to enable the Senate and the House themselves, to exercise their respective statutorily assigned roles in the proposal, adoption, and approval of regulations. See 2 U.S.C. §1384(a)(2). These procedural provisions of the CAA do not alter the meaning of substantive provisions of the CAA; nor do they specifically prevent the Board's regulations from including hours and months worked with employing offices outside of the Senate in defining ''eligible employee'' for purposes of determining family and medical leave eligibility for Senate employees.

Finally, the history of the Senate's consideration of congressional accountability legislation shows that the position advocated by the commenter was considered by the Senate and was not adopted. The version of the Congressional Accountability Act reported by the Senate Governmental Affairs Committee in 1994 (H.R. 4822, 103d Cong., 2d Sess., as reported, S. Rep. No. 397, 103d Cong., 2d Sess., 17 (Oct. 3, 1994)) provided that a Senate employee would be eligible for family and medical leave after 12 months of nontemporary employment by ''any employing office of the Senate.'' The CAA, as enacted a few months later, provides that eligibility of all covered employees, including Senate employees, depends on the months and hours worked ''in any employing office''—without the limiting phrase ''of the Senate.'' Furthermore, while the 1994 Senate Committee report explained that an eligible ''Senate employee'' would retain FMLA eligibility ''irrespective of whether he or she changes employing offices within the Senate,'' the section-by-section analysis published in the Congressional Record in 1995, when the CAA was under consideration in the Senate, explained that an eligible ''covered employee'' would retain FMLA eligibility ''irrespective of whether he or she changes employing offices.'' Compare S. Rep. No. 397, at 17, with 141 Cong. Rec. S623 (daily ed. Jan. 9, 1995) (section-by-section analysis). Unlike the explanation of the earlier Senate bill, the explanation of the CAA was not limited to Senate employees and did not limit employees'' accrual and maintenance of leave eligibility to employment ''within the Senate.'' In short, the commenter's suggestion is not consistent with the Senate's own deliberative history.

B. Joint employers and designation of primary employer

The Secretary's regulations provide that, whenever an employee is employed jointly by more than one employer, the ''primary'' employer is solely responsible for giving required notices, providing FMLA leave, and maintaining health benefits, and is ''primarily'' responsible for job restoration. 29 C.F.R. §825.106(c). Comments on the ANPR indicated that, in the context of congressional employment, there may not always be a primary employer, and joint employers should be authorized to designate one employing office to be responsible for compliance with FMLA obligations. The Board accepted this view and, in section 825.106(c) of the regulations, the Board proposed to adopt such a provision.

One commenter now asks for clarification as to whether employing offices that are joint employers may always designate which of them will be responsible for FMLA compliance, or whether this power exists only when there is no ''primary'' employer. The commenter also stated that section 825.106(e), which describes the secondary employer's responsibility for job restoration, should apply only in the case of detailees.

The Board agrees that the proposed regulations should be clarified. Section 826.106, as adopted by the Board, provides that, in any instance of joint employment, the employing offices may designate which office shall be the primary employer. Such a designation must be made in writing to the employee. If such a designation is not made, the employee may elect which of the joint employing offices will be required to perform certain responsibilities of a primary employer. This approach should afford administrative flexibility to employing offices, eliminate uncertainty and fact-specific disputes, and protect the rights of eligible employees.. The Board

finds good cause under section 202(d)(2) to make these modifications to the Secretary's regulations, because joint employment without a clear primary employer appears relatively common in congressional employment (whereas it is not in the private sector).

Section 825.106(e) of the proposed regulations assigned to the primary employer ''primary'' responsibility for job restoration, but also assigned the secondary employer responsibility for accepting an employee who returns from FMLA leave. The commenter stated that this subsection ''appears to be applicable'' only in the situation where a detailee is supplied to an employing office. The commenter further urged that certain language from the Secretary's regulations be restored to the Board's regulations to limit the circumstances under which a secondary employer must accept an employee returning from FMLA leave.

Several aspects of the Secretary's regulations set forth at 29 C.F.R. §826.106(e) are applicable only to temporary and leasing agencies. However, temporary and leasing agencies and their employees are not covered by the CAA, and there is not a precise analogy between inter-office details of covered employees and placement of employees by temporary or leasing agencies. Therefore, the Board omitted from the proposed regulations certain clauses that refer specifically to temporary and leasing agencies, and the Board did not otherwise modify the Secretary's regulations to make them applicable to detailees. However, the Board sought to retain in subsection (e) the general principles regarding job restoration.

The final regulations attempt to accommodate the commenter's concerns in some respects. Certain language from the Secretary's regulations that was retained in the Board's proposed regulations, but that makes sense only in the context of temporary or leasing agencies, has now been omitted, and the limits on job restoration responsibilities are stated more explicitly. However, the Board has retained the general requirement of job restoration in situations of joint employment, as originally promulgated in the Secretary's regulations.

Furthermore, in section 825.106(b) of its proposed regulations, the Board identified inter-office details as an example where joint employment will ordinarily be found. This example had been inserted as a replacement for a provision in the Secretary's regulations which identified temporary and leasing agencies as such an example. However, as noted above, the Board does not believe that a precise analogy exists between these two situations; accordingly, the reference to detailees is omitted from the final regulations.

C. Designation of leave year by joint employers

Based on the Secretary's regulations, the Board proposed in section 825.200(b) that an employing office be permitted to choose one of several methods for determining an eligible employee's ''leave year''—i.e., the 12-month period within which a particular employee's 12 weeks of leave may be taken. The Board also endorsed two methods that had been suggested by commenters by which joint employing offices might choose a ''leave year'' for their joint employees.

A commenter noted that, although the Board has allowed joint employing offices to choose a leave year for joint employees, section 825.200(d)(1) requires that, if an employing office selects a leave year method, the office must apply the method consistently and uniformly to all of its employees. The commenter suggested that the Board should expressly state an exception to this rule where joint employers select a leave year for their joint employees that is different from the leave year that any of the joint employing offices selects for its non-joint employees.

This issue is addressed in the Board's regulations, albeit in a somewhat different manner from that suggested by the commenter. As discussed above, the Board's regulations authorize employing offices to designate a primary employer in all instances of joint employment. The Board has also provided in section 825.200(g) of the regulations that, if the primary employer has chosen a leave year under the regulations, the primary employer must apply the leave year uniformly to the joint employee as well as to the primary employer's non-joint employees. If the joint employing offices do not designate a primary employer, then the employee may select one of the joint employing offices to be the primary employer for the purpose of the application of its leave year under applicable regulations. Under applicable rules in paragraph (e), if the selected employing office has not chosen a leave year option, the employee may use any of the allowable leave year options.

Finally, a commenter has suggested that, upon an employee's transfer to or from joint employment, if the applicable leave year changes, the procedures under section 825.200(d)(1) of the Board's regulations should be made applicable. That section provides that, when an employing office changes to a new leave year, it must provide 60 days'' notice to all employees. However, section 825.200(d)(1) of the Board's regulations would not apply where an individual employee changes to or from being jointly employed or when a primary employer is designated. Such changes are analogous to a transfer from one employing office to another, and should not trigger the requirements of section 825.200(d)(1).

D. Minimally paid leave in the Senate

In response to the ANPR, a commenter advised the Board that the Senate currently provides ''minimally paid'' FMLA leave rather than unpaid leave. In the NPR, the Board stated that granting minimally paid leave in lieu of unpaid leave would not prevent the leave from being considered FMLA-qualifying leave and, therefore, the situation of minimally paid leave did not need to be addressed in the Board's regulations.

The commenter has responded that Senate minimally paid leave needs to be specifically addressed and treated as unpaid FMLA leave in order for an employing office to be able to recover its share of health care insurance premiums from an employee when such recovery would be appropriate if the employee were on unpaid FMLA leave. Similarly, the commenter indicated that, where an employee or employing office may substitute paid leave for unpaid FMLA leave, a Senate employee or employing office should be entitled to substitute paid leave for minimally paid leave. In addition, the commenter asserted that minimally paid leave should also be treated as unpaid leave in calculating who is a ''key employee'' under section 825.217(c) of the Board's regulations.

The commenter has provided reasons why it may matter to an employing office whether minimally paid leave is treated as paid leave or as unpaid leave within the meaning of the regulations. But the good cause needed to justify a change in the regulations under section 202(d) of the CAA does not exist simply because regulations may, as the commenter suggests, impose an undesirable expense or inflexibility on employing offices. Thus, the commenter has not offered a good cause justification for changing the Secretary's regulations.

However, the Board fully realizes that there may be some legal impediment to providing unpaid leave in the Senate of which the Board is not aware. If so, a petition to amend these regulations under section 304(f) of the CAA (2 U.S.C.§1384(f)) might be appropriate.

E. Health benefits

The Secretary's regulations make a number of references to title X of the Consolidated Omnibus Budget Reconciliation Act of 1986, which requires continuation coverage under group health plans (29 U.S.C. §§1161-1168) (''COBRA''). However, COBRA does not apply to government insurance plans. Continuation coverage similar to that under COBRA was enacted for federal employees in the Federal Employees Health Benefits Amendments Act of 1988, codified at 5 U.S.C. §8905a. The Federal Employees Health Benefits Program, which includes the continuation coverage provided by the 1988 Act, is available to all federal employees, including congressional employees. In some provisions of the proposed regulations, the Board retained references to COBRA and added phrases like ''or by other applicable law,'' and in other provisions the Board referred to ''applicable requirements of law'' without reference to COBRA.

One commenter stated that references to COBRA should remain and that references to ''other applicable laws'' should not be added. The commenter explained that the Secretary's regulations accurately delineate when an employer's obligations to maintain health benefits during leave cease under the FMLA. Another commenter stated that it is the commenter's understanding that COBRA applies to congressional employees, and recommended that the Board's regulations be consistent with respect to references to COBRA. A third commenter asked for clarification of the applicability of COBRA. A commenter also requested that section 825.211 of the Secretary's regulations, which provides special rules for multi-employer health plans, be included in the Board's regulations.

The Board finds good cause under section 202(d) of the CAA to refer in its regulations to 5 U.S.C. §8905a, as well as to COBRA. See sections 825.209(f), 825.210(c)(2), 825.309(b), and 825.700(a) of the Board's regulations. If the regulations referred only to COBRA, which applies to few if any employing offices, the intent of the provisions as originally promulgated by Secretary (i.e., to delineate an employer's obligations to maintain health benefits) would be negated.

The one exception is section 825.213(e) of the Board's regulations. The Secretary's regulation limits premiums that a self-insured employer may recover from an employee who does not return from FMLA leave. The subsection allows recovery of premiums ''as would be calculated under COBRA'' (excluding the 2% administration fee). Because 5 U.S.C. §8905a does not provide for self-insurance by individual Government employing agencies or offices, and since the regulation uses the subjunctive ''would be calculated under COBRA,'' it is appropriate to reference only COBRA in this section of the regulations.

The Board is not currently aware of any provisions other than 5 U.S.C. §8905a that require COBRA-like continuation coverage for government group health plans to which COBRA does not apply. However, if any such provision does exist that might apply to any employing office, a petition to amend these regulations under section 304(f) of the CAA (2 U.S.C. §1384(f)) might be appropriate.

Finally, the Board agrees with the commenter's suggestion that 29 C.F.R. §825.211 of the Secretary's regulations be included in the Board's regulations, in order to cover potential future situations where an employing

office might contribute to a multi-employer health plan.

F. Whether special rules apply to House Page School

The proposed regulations included special rules that are applicable only to certain kinds of educational institutions. Two commenters stated that the Board's regulations should state explicitly that the special rules apply to the House Page School. However, the commenters have not provided any, much less sufficient, justification for finding good cause to modify the Secretary's regulation under section 202(d) of the CAA. In fact, the commenters do not appear to be asking for a change in the regulation, but rather for a clarification that the House Page School is within its scope. But they have not provided the Board with any factual or legal materials upon which such an interpretive judgment could be based. Moreover, they have not identified any authority in the CAA that would allow the Board to make such an interpretive judgment in the context of a rulemaking proceeding. Indeed, as explained in detail in the preamble to the Board's final regulations implementing the rights and protections of the Fair Labor Standards Act, it would be improper for the Board to do so.

G. Notice posting and recordkeeping

In the NPR, the Board did not propose regulations specifying notice posting or recordkeeping requirements for employing offices. The Board also declined to propose regulations stating that, in determining whether the requisite hours have been worked for eligibility, the burden of proof would lie with an employing office that does not keep adequate time records.

A commenter argued that: (1) enforcement of the law will be greatly enhanced by requiring notice posting and recordkeeping under the FMLA, and (2) it is a fair enforcement mechanism for the burden of proof to lie with the employer when the records maintained by the employer are inadequate.

The Board thoroughly considered these points in preparing the NPR. The Board sees no reason to alter its previous conclusions.

H. Prospective application of reductions in FMLA benefits

One commenter noted that the Senate and House currently have more generous FMLA policies than those mandated by the Board's proposed regulations. The commenter stated that, where an employing office chooses to reduce FMLA benefits as allowed by the new regulations, the Board's regulations need to clarify that any policy changes may only be applied prospectively.

The Board disagrees. The Board's regulations may apply only to FMLA rights under the CAA; they may not apply to FMLA rights under pre-existing statutory and regulatory regimes. Disputes under such pre-existing regimes, even if they are raised after January 23, 1996, are not governed by these regulations and should be directed to the authorities previously responsible for such rules.

I. Miscellaneous Drafting Issues

1. Clarification of the 12 months during which 1,250 hours of service must have occurred

In defining which covered employee is an ''eligible employee', section 825.110(a) of the proposed regulations quoted from the definition of ''eligible employee'' set forth in section 202(a)(2)(B) of the CAA (2 U.S.C. §1312(a)(2)(B)). This definition includes a requirement of ''at least 1,250 hours of employment during the previous 12 months.''

A commenter stated that this wording is ambiguous. The commenter suggested the addition of language from the corresponding regulation promulgated by the Secretary: ''1,250 hours of service during the 12-month period immediately preceding the commencement of the leave.''

The Board agrees that the use of the phrase ''immediately preceding'' may add some additional precision to the regulation. However, the CAA uses the term ''previous 12 months,'' while the FMLA uses the term ''previous 12-month period'', 29 U.S.C. 2611(2)(A)(ii). Accordingly, a new second sentence has been added to section 825.110(d) to state that the ''previous 12 months'' means ''the 12 months immediately preceding the commencement of the leave.''

2. References to ''State law,'' ''federal law,'' and ''applicable law''

In several instances, the Secretary's regulations refer to applicable State law, and in some instances the regulations refer to applicable federal or State (or sometimes local) law. The Board's proposed regulations omitted most references to State law but retained certain references where appropriate. In some instances, the proposed regulations removed references to applicable federal or State law, and replaced them with references to applicable law.

One commenter stated agreement with the Board's omission of references to State laws, because State laws do not apply to the Senate, but objected to the Boards omission of the word ''federal'' before reference to some laws, on the ground that it might lead to confusion. The commenter stated in one instance that regulations should refer only to ''applicable federal wage payment laws,'' not to ''applicable wage payment or other laws,'' because only those federal laws specifically made applicable to the Senate by resolution or statute are applicable to the Senate. A commenter also suggested that one reference to State law that the Board had retained in the proposed regulations should be omitted.

Several regulatory provisions promulgated by the Secretary referring to State laws that are clearly inapplicable to employing offices were omitted from the Board's proposed regulations. However, the proposed regulation retained a reference in section 825.200(b)(2) to leave years required by State law. This reference is omitted from the final regulations.

The proposed regulations also retained references to State law that may appropriately apply to FMLA rights and protections as made applicable by the CAA. These include, for example, State laws on certification of medical care providers, State laws on approval of foster care, and State laws determining who is a spouse. These references are retained in the final regulations.

In a few instances where the Secretary's regulations referred to applicable federal or State law, the Board retained the reference to applicable law, but omitted the mention of ''federal'' or ''State.'' The Board is not in a position to determine whether any State law might be applicable in some instances with respect to these provisions. Nor should these provisions cause confusion with respect to the possibility of State law applying. The phrase ''applicable law'' certainly does not cause State law to apply where it otherwise would not; the phrase simply means that, if a law does apply to the employing office, such a law is referenced by the regulations. Accordingly, the references to applicable laws and requirements in sections 825.213(f) and 825.301(e) of the Board's regulations are adopted as proposed.

Section 824.204(b) of the Secretary's regulations refers to applicable federal law and State law, and the provision as proposed by the Board retained the reference to ''federal'' but not ''State'' law. To be consistent with the foregoing principles, section 824.204(b) of the Board's regulations as adopted includes a reference to applicable law, without limiting the reference to ''federal'' law.

3. Definitions

A commenter suggested that a definition of COBRA be added to the Board's regulations. Such a definition is provided in the Secretary's regulations, and has been added to section 825.800 of the Board's regulations.

A definition of ''employ'' is also included in the final regulations, meaning ''to suffer or permit to work.'' This definition is contained in the Secretary's regulations, but was omitted from the Board's proposed regulations. This definition is established under the Fair Labor Standards Act, 29 U.S.C. §203(g), and is incorporated by reference into the FMLA, 29 U.S.C. §2611(3).

4. Cross references to regulations and interpretations under the Fair Labor Standards Act (''FLSA'') and the Americans with Disabilities Act (''ADA'')

The Secretary's regulations under the FMLA contain several cross references to the Secretary's regulations implementing or interpreting the Fair Labor Standards Act (''FLSA''). Where the Board has adopted applicable FLSA regulations under the CAA, those Board regulations are now referenced in the Board's FMLA regulations. See, e.g., sections 825.206, 825.217(b) of the Board's regulations.

However, a number of the Secretary's interpretive bulletins that interpret the FLSA, which the Board has not adopted, are cross referenced in the Secretary's regulations under the FMLA. In these instances, the subject of the referenced interpretation is summarized in the Board's FMLA regulations in place of the cross reference. This same approach is used where the Secretary's regulations under the FMLA contain cross references to regulations by the Equal Employment Opportunity Commission interpreting the Americans with Disabilities Act (''ADA''), as the Board has not adopted these regulations. See sections 825.110(c), 825.113(c)(2), 825.115, 825.205, 825.800 of the Board's regulations.

5. Corrections and clarifications

Commenters suggested a number of technical corrections and clarifications in the proposed regulations. For example, a commenter pointed out that section 825.200(b)(4) of the Secretary's regulations was inadvertently omitted from the Board's proposed regulations. This subparagraph describes the fourth optional method that an employing office may choose for determining leave years, sometimes called the rolling looking-backwards method. This subparagraph is restored in the final regulation.

A commenter suggested that section 825.213(a) of the proposed regulations be amended to clarify that references to an employing office's share of health plan premiums, which may be recovered under certain circumstances, encompasses monies paid out of a Senate fund, as opposed to from appropriations of the employing office. The proposed regulations, like the Secretary's regulations, authorized the employing office to ''recover its share'' of the premiums. In light of the centralized manner in which the payment of health care insurance premiums is handled in the government, it is appropriate to expressly accommodate the situation where premiums may be paid and recovered on behalf of an employing office rather than by the employing office itself.

A number of other typographical, grammatical, and similar corrections were suggested. The Board has made corrections as appropriate. However, by making these changes, the Board does not intend a substantive difference between these sections and those of the Secretary from which they are derived. Moreover, such changes, in and of themselves, are not intended to constitute

an interpretation of the regulation or of the statutory provisions of the CAA upon which they are based.

K. Board Determination on Regulations ''Required'' To Be Issued In Connection With Section 411

Section 411 of the CAA provides in pertinent part that ''if the Board has not issued a regulation on a matter for which [the CAA] requires a regulation to be issued the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue.'' 2 U.S.C. §1411. By its own terms, this provision comes into play only where it is determined that the Board has not issued a regulation that is *required* by the CAA. Thus, before a Department of Labor regulation can be invoked, an adjudicator must make a threshold determination that the regulation concerns a matter as to which the Board was obligated under the CAA to issue a regulation.

Part 825 of 29 C.F.R. contains all the regulations the Secretary of Labor issued to implement the FMLA. As noted in the NPR, several of those regulations are not legally ''required'' to be issued as CAA regulations because the underlying FMLA provisions were not made applicable under the CAA. Additionally, the Board has determined that it has good cause under section 202(d) of the CAA not to issue other of the Secretary's regulations because, for example, they have no applicability to legislative branch employment. Other than the comments discussed above, the commenters did not dispute the inapplicability of those portions of 29 C.F.R. part 825.

The Board has carefully reviewed the entire corpus of the Secretary's regulations, has sought comment on its proposal concerning the regulations that it should (and should not) adopt, and has considered those comments in formulating its final rules. Based on this review and consideration, and in order to prevent wasteful litigation, the Board has included a declaration in these regulations that the Board has issued all the regulations that it is ''required'' to promulgate to implement the statutory provisions of the FMLA that are made applicable to the legislative branch by the CAA.

III. ADOPTION OF PROPOSED RULES AS FINAL REGULATIONS UNDER SECTION 304(B)(3) AND AS INTERIM REGULATIONS

Having considered the public comments to the proposed rules, the Board pursuant to section 304(b)(3) and (4) of the CAA is adopting these final regulations and transmitting them to the House of Representatives and the Senate with recommendations as to the method of approval by each body under section 304(c). However, the rapidly approaching effective date of the CAA's implementation necessitates that the Board take further action with respect to these regulations. For the reasons explained below, the Board is also today adopting and issuing these rules as *interim* regulations that will be effective as of January 23, 1996 or the time upon which appropriate resolutions of approval of these interim regulations are passed by the House and/or the Senate, whichever is later. These interim regulations will remain in effect until the earlier of April 15, 1996 or the dates upon which the House and Senate complete their respective consideration of the final regulations that the Board is herein adopting.

The Board finds that it is necessary and appropriate to adopt such interim regulations and that there is ''good cause'' for making them effective as of the later of January 23, 1996, or the time upon which appropriate resolutions of approval of them are passed by the House and the Senate. In the absence of the issuance of such interim regulations, covered employees, employing offices, and the Office of Compliance staff itself would be forced to operate in regulatory uncertainty. While section 411 of the CAA provides that, ''if the Board has not issued a regulation on a matter for which this Act requires a regulation to be issued, the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue in the proceeding,'' covered employees, employing offices and the Office of Compliance staff might not know what regulation, if any, would be found applicable in particular circumstances absent the procedures suggested here. The resulting confusion and uncertainty on the part of covered employees and employing offices would be contrary to the purposes and objectives of the CAA, as well as to the interests of those whom it protects and regulates. Moreover, since the House and the Senate will likely act on the Board's final regulations within a short period of time, covered employees and employing offices would have to devote considerable attention and resources to learning, understanding, and complying with a whole set of default regulations that would then have no future application. These interim regulations prevent such a waste of resources.

The Board's authority to issue such interim regulations derives from sections 411 and 304 of the CAA. Section 411 gives the Board authority to determine whether, in the absence of the issuance of a final regulation by the Board, it is necessary and appropriate to apply the substantive regulations of the executive branch in implementing the provisions of the CAA. Section 304(a) of the CAA in turn authorizes the Board to issue substantive regulations to implement the Act. Moreover, section 304(b) of the CAA instructs that the Board shall adopt substantive regulations ''in accordance with the principles and procedures set forth in section 553 of title 5, United States Code,'' which have in turn traditionally been construed by courts to allow an agency to issue ''interim'' rules where the failure to have rules in place in a timely manner would frustrate the effective operation of a federal statute. *See, e.g., Philadelphia Citizens in Action v. Schweiker*, 669 F.2d 877 (3d Cir. 1982). As noted above, in the absence of the Board's adoption and issuance of these interim rules, such a frustration of the effective operation of the CAA would occur here.

In so interpreting its authority, the Board recognizes that in section 304 of the CAA, Congress specified certain procedures that the Board must follow in issuing substantive regulations. In section 304(b), Congress said that, except as specified in section 304(e), the Board must follow certain notice and comment and other procedures. The interim regulations in fact have been subject to such notice and comment and such other procedures of section 304(b).

In issuing these interim regulations, the Board also recognizes that section 304(c) specifies certain procedures that the House and the Senate are to follow in approving the Board's regulations. The Board is of the view that the essence of section 304(c)'s requirements are satisfied by making the effectiveness of these interim regulations conditional on the passage of appropriate resolutions of approval by the House and/or the Senate. Moreover, section 304(c) appears to be designed primarily for (and applicable to) final regulations of the Board, which these interim regulations are not. In short, section 304(c)'s procedures should not be understood to prevent the issuance of interim regulations that are necessary for the effective implementation of the CAA.

Indeed, the promulgation of these interim regulations clearly conforms to the spirit of section 304(c) and, in fact promotes its proper operation. As noted above, the interim regulations shall become effective only upon the passage of appropriate resolutions of approval, which is what section 304(c) contemplates. Moreover, these interim regulations allow more considered deliberation by the House and the Senate of the Board's final regulations under section 304(c).

The House has in fact already signaled its approval of such interim regulations both for itself and for the instrumentalities. On December 19, 1995, the House adopted H. Res. 311 and H. Con. Res. 123, which approve ''on a provisional basis'' regulations ''issued by the Office of Compliance before January 23, 1996.'' The Board believes these resolutions are sufficient to make these interim regulations effective for the House on January 23, 1996, though the House might want to pass new resolutions of approval in response to this pronouncement of the Board.

To the Board's knowledge, the Senate has not yet acted on H. Con. Res. 123, nor has it passed a counterpart to H. Res. 311 that would cover employing offices and employees of the Senate. As stated herein, it must do so if these interim regulations are to apply to the Senate and the other employing offices of the instrumentalities (and to prevent the default rules of the executive branch from applying as of January 23, 1996).

IV. METHOD OF APPROVAL

The Board received no comments on the method of approval for these regulations. Therefore, the Board continues to recommend that (1) the version of the regulations that shall apply to the Senate and employees of the Senate should be approved by the Senate by resolution; (2) the version of the regulations that shall apply to the House of Representatives and employees of the House of Representatives should be approved by the House of Representatives by resolution; and (3) the version of the regulations that shall apply to other covered employees and employing offices should be approved by the Congress by concurrent resolution.

With respect to the interim version of these regulations, the Board recommends that the Senate approve them by resolution insofar as they apply to the Senate and employees of the Senate. In addition, the Board recommends that the Senate approve them by concurrent resolution insofar as they apply to other covered employees and employing offices. It is noted that the House has expressed its approval of the regulations insofar as they apply to the House and its employees through its passage of H. Res. 311 on December 19, 1995. The House also expressed its approval of the regulations insofar as they apply to other employing offices through passage of H. Con. Res. 123 on the same date; this concurrent resolution is pending before the Senate.

Accordingly, the Board of Directors of the Office of Compliance hereby adopts and submits for approval by the House of Representatives and the Senate and issues on an interim basis the following regulations:

PART 825—FAMILY AND MEDICAL LEAVE

825.1 Purpose and scope
825.2 Duration of interim regulations
Subpart A—What is the Family and Medical Leave Act, and to Whom Does it Apply under the Congressional Accountability Act?
825.100 What is the Family and Medical Leave Act?
825.101 What is the purpose of the FMLA?

825.102 When are the FMLA and the CAA effective for covered employees and employing offices?
825.103 How does the FMLA, as made applicable by the CAA, affect leave in progress on, or taken before, the effective date of the CAA?
825.104 What employing offices are covered by the FMLA, as made applicable by the CAA?
825.105 [Reserved]
825.106 How is ''joint employment'' treated under the FMLA as made applicable by the CAA?
825.107—825.109 [Reserved]
825.110 Which employees are ''eligible'' to take FMLA leave under these regulations?
825.111 [Reserved]
825.112 Under what kinds of circumstances are employing offices required to grant family or medical leave?
825.113 What do ''spouse,'' ''parent,'' and ''son or daughter'' mean for purposes of an employee qualifying to take FMLA leave?
825.114 What is a ''serious health condition'' entitling an employee to FMLA leave?
825.115 What does it mean that ''the employee is unable to perform the functions of the position of the employee''?
825.116 What does it mean that an employee is ''needed to care for'' a family member?
825.117 For an employee seeking intermittent FMLA leave or leave on a reduced leave schedule, what is meant by ''the medical necessity for'' such leave?
825.118 What is a ''health care provider''?

Subpart B—What Leave Is an Employee Entitled To Take Under The Family and Medical Leave Act, as Made Applicable by the Congressional Accountability Act?

825.200 How much leave may an employee take?
825.201 If leave is taken for the birth of a child, or for placement of a child for adoption or foster care, when must the leave be concluded?
825.202 How much leave may a husband and wife take if they are employed by the same employing office?
825.203 Does FMLA leave have to be taken all at once, or can it be taken in parts?
825.204 May an employing office transfer an employee to an ''alternative position'' in order to accommodate intermittent leave or a reduced leave schedule?
825.205 How does one determine the amount of leave used where an employee takes leave intermittently or on a reduced leave schedule?
825.206 May an employing office deduct hourly amounts from an employee's salary, when providing unpaid leave under FMLA, as made applicable by the CAA, without affecting the employee's qualification for exemption as an executive, administrative, or professional employee, or when utilizing the fluctuating workweek method for payment of overtime, under the Fair Labor Standards Act?
825.207 Is FMLA leave paid or unpaid?
825.208 Under what circumstances may an employing office designate leave, paid or unpaid, as FMLA leave and, as a result, enable leave to be counted against the employee's total FMLA leave entitlement?
825.209 Is an employee entitled to benefits while using FMLA leave?
825.210 How may employees on FMLA leave pay their share of group health benefit premiums?
825.211 What special health benefits maintenance rules apply to multi-employer health plans?
825.212 What are the consequences of an employee's failure to make timely health plan premium payments?
825.213 May an employing office recover costs it incurred for maintaining ''group health plan'' or other non-health benefits coverage during FMLA leave?
825.214 What are an employee's rights on returning to work from FMLA leave?
825.215 What is an equivalent position?
825.216 Are there any limitations on an employing office's obligation to reinstate an employee?
825.217 What is a ''key employee''?
825.218 What does ''substantial and grievous economic injury'' mean?
825.219 What are the rights of a key employee?
825.220 How are employees protected who request leave or otherwise assert FMLA rights?

Subpart C—How Do Employees Learn of Their Rights and Obligations under the FMLA, as Made Applicable by the CAA, and What Can an Employing Office Require of an Employee?

825.300 [Reserved]
825.301 What notices to employees are required of employing offices under the FMLA as made applicable by the CAA?
825.302 What notice does an employee have to give an employing office when the need for FMLA leave is foreseeable?
825.303 What are the requirements for an employee to furnish notice to an employing office where the need for FMLA leave is not foreseeable?
825.304 What recourse do employing offices have if employees fail to provide the required notice?
825.305 When must an employee provide medical certification to support FMLA leave?
825.306 How much information may be required in medical certifications of a serious health condition?
825.307 What may an employing office do if it questions the adequacy of a medical certification?
825.308 Under what circumstances may an employing office request subsequent recertifications of medical conditions?
825.309 What notice may an employing office require regarding an employee's intent to return to work?
825.310 Under what circumstances may an employing office require that an employee submit a medical certification that the employee is able (or unable) to return to work (i.e., a ''fitness-for-duty'' report)?
825.311 What happens if an employee fails to satisfy the medical certification and/or recertification requirements?
825.312 Under what circumstances may an employing office refuse to provide FMLA leave or reinstatement to eligible employees?

Subpart D—What Enforcement Mechanisms Does the CAA Provide?

825.400 What can employees do who believe that their rights under the FMLA as made applicable by the CAA have been violated?
825.401—825.404 [Reserved]

Subpart E—[Reserved]

Subpart F—What Special Rules Apply to Employees of Schools?

825.600 To whom do the special rules apply?
825.601 What limitations apply to the taking of intermittent leave or leave on a reduced leave schedule?
825.602 What limitations apply to the taking of leave near the end of an academic term?
825.603 Is all leave taken during ''periods of a particular duration'' counted against the FMLA leave entitlement?
825.604 What special rules apply to restoration to ''an equivalent position?''

Subpart G—How Do Other Laws, Employing Office Practices, and Collective Bargaining Agreements Affect Employee Rights Under the FMLA as Made Applicable by the CAA?

825.700 What if an employing office provides more generous benefits than required by FMLA as Made Applicable by the CAA?
825.701 [Reserved]
825.702 How does FMLA affect anti-discrimination laws as applied by section 201 of the CAA?

Subpart H—Definitions

825.800 Definitions
Appendix A to Part 825—[Reserved]
Appendix B to Part 825—Certification of Physician or Practitioner
Appendix C to Part 825—[Reserved]
Appendix D to Part 825—Prototype Notice: Employing Office Response to Employee Request for Family and Medical Leave
Appendix E to Part 825—[Reserved]

§ 825.1 Purpose and scope

(a) Section 202 of the Congressional Accountability Act (CAA) (2 U.S.C. 1312) applies the rights and protections of sections 101 through 105 of the Family and Medical Leave Act of 1993 (FMLA) (29 U.S.C. 2611-2615) to covered employees. (The term ''covered employee'' is defined in section 101(3) of the CAA (2 U.S.C. 1301(3)). See § 825.800 of these regulations for that definition.) The purpose of this part is to set forth the regulations to carry out the provisions of section 202 of the CAA.

(b) These regulations are issued by the Board of Directors, Office of Compliance, pursuant to sections 202(d) and 304 of the CAA, which direct the Board to promulgate regulations implementing section 202 that are ''the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 202 of the CAA] except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' The regulations issued by the Board herein are on all matters for which section 202 of the CAA requires regulations to be issued. Specifically, it is the Board's considered judgment, based on the information available to it at the time of the promulgation of these regulations, that, with the exception of regulations adopted and set forth herein, there are no other ''substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 202 of the CAA].

(c) In promulgating these regulations, the Board has made certain technical and nomenclature changes to the regulations as promulgated by the Secretary. Such changes are intended to make the provisions adopted accord more naturally to situations in the legislative branch. However, by making these changes, the Board does not intend a substantive difference between these regulations and those of the Secretary from which they are derived. Moreover, such changes, in and of themselves, are not intended to constitute an interpretation of the regulation or of the statutory provisions of the CAA upon which they are based.

§ 825.2 Duration of interim regulations

These interim regulations for the House, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is

later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate.

Subpart A—What is the Family and Medical Leave Act, and to Whom Does it Apply under the Congressional Accountability Act?

§ 825.100 What is the Family and Medical Leave Act?

(a) The Family and Medical Leave Act of 1993 (FMLA), as made applicable by the Congressional Accountability Act (CAA), allows ''eligible'' employees of an employing office to take job-protected, unpaid leave, or to substitute appropriate paid leave if the employee has earned or accrued it, for up to a total of 12 workweeks in any 12 months because of the birth of a child and to care for the newborn child, because of the placement of a child with the employee for adoption or foster care, because the employee is needed to care for a family member (child, spouse, or parent) with a serious health condition, or because the employee's own serious health condition makes the employee unable to perform the functions of his or her job (*see* § 825.306(b)(4)). In certain cases, this leave may be taken on an intermittent basis rather than all at once, or the employee may work a part-time schedule.

(b) An employee on FMLA leave is also entitled to have health benefits maintained while on leave as if the employee had continued to work instead of taking the leave. If an employee was paying all or part of the premium payments prior to leave, the employee would continue to pay his or her share during the leave period. The employing office or a disbursing or other financial office of the House of Representatives or the Senate may recover its share only if the employee does not return to work for a reason other than the serious health condition of the employee or the employee's immediate family member, or another reason beyond the employee's control.

(c) An employee generally has a right to return to the same position or an equivalent position with equivalent pay, benefits and working conditions at the conclusion of the leave. The taking of FMLA leave cannot result in the loss of any benefit that accrued prior to the start of the leave.

(d) The employing office has a right to 30 days advance notice from the employee where practicable. In addition, the employing office may require an employee to submit certification from a health care provider to substantiate that the leave is due to the serious health condition of the employee or the employee's immediate family member. Failure to comply with these requirements may result in a delay in the start of FMLA leave. Pursuant to a uniformly applied policy, the employing office may also require that an employee present a certification of fitness to return to work when the absence was caused by the employee's serious health condition (*see* § 825.311(c)). The employing office may delay restoring the employee to employment without such certificate relating to the health condition which caused the employee's absence.

§ 825.101 What is the purpose of the FMLA?

(a) FMLA is intended to allow employees to balance their work and family life by taking reasonable unpaid leave for medical reasons, for the birth or adoption of a child, and for the care of a child, spouse, or parent who has a serious health condition. The FMLA is intended to balance the demands of the workplace with the needs of families, to promote the stability and economic security of families, and to promote national interests in preserving family integrity. It was intended that the FMLA accomplish these purposes in a manner that accommodates the legitimate interests of employers, and in a manner consistent with the Equal Protection Clause of the Fourteenth Amendment in minimizing the potential for employment discrimination on the basis of sex, while promoting equal employment opportunity for men and women.

(b) The enactment of FMLA was predicated on two fundamental concerns ''the needs of the American workforce, and the development of high-performance organizations. Increasingly, America's children and elderly are dependent upon family members who must spend long hours at work. When a family emergency arises, requiring workers to attend to seriously-ill children or parents, or to newly-born or adopted infants, or even to their own serious illness, workers need reassurance that they will not be asked to choose between continuing their employment, and meeting their personal and family obligations or tending to vital needs at home.

(c) The FMLA is both intended and expected to benefit employers as well as their employees. A direct correlation exists between stability in the family and productivity in the workplace. FMLA will encourage the development of high-performance organizations. When workers can count on durable links to their workplace they are able to make their own full commitments to their jobs. The record of hearings on family and medical leave indicate the powerful productive advantages of stable workplace relationships, and the comparatively small costs of guaranteeing that those relationships will not be dissolved while workers attend to pressing family health obligations or their own serious illness.

§ 825.102 When are the FMLA and the CAA effective for covered employees and employing offices?

(a) The rights and protection of sections 101 through 105 of the FMLA have applied to certain Senate employees and certain employing offices of the Senate since August 5, 1993 (*see* section 501 of FMLA).

(b) The rights and protection of sections 101 through 105 of the FMLA have applied to any employee in an employment position and any employment authority of the House of Representatives since August 5, 1993 (*see* section 502 of FMLA).

(c) The rights and protections of sections 101 through 105 of the FMLA have applied to certain employing offices and covered employees other than those referred to in paragraphs (a) and (b) of this section for certain periods since August 5, 1993 (*see, e.g.*, Title V of the FMLA, sections 501 and 502).

(d) The provisions of section 202 of the CAA that apply rights and protections of the FMLA to covered employees are effective on January 23, 1996.

(e) The period prior to the effective date of the application of FMLA rights and protections under the CAA must be considered in determining employee eligibility.

§ 825.103 How does the FMLA, as made applicable by the CAA, affect leave in progress on, or taken before, the effective date of the CAA?

(a) An eligible employee's right to take FMLA leave began on the date that the rights and protections of the FMLA first went into effect for the employing office and employee (*see* § 825.102(a)). Any leave taken prior to the date on which the rights and protections of the FMLA first became effective for the employing office from which the leave was taken may not be counted for purposes of the FMLA as made applicable by the CAA. If leave qualifying as FMLA leave was underway prior to the effective date of the FMLA for the employing office from which the leave was taken and continued after the FMLA's effective date for that office, only that portion of leave taken on or after the FMLA's effective date may be counted against the employee's leave entitlement under the FMLA, as made applicable by the CAA.

(b) If an employing office-approved leave is underway when the application of the FMLA by the CAA takes effect, no further notice would be required of the employee unless the employee requests an extension of the leave. For leave which commenced on the effective date or shortly thereafter, such notice must have been given which was practicable, considering the foreseeability of the need for leave and the effective date.

(c) Starting on January 23, 1996, an employee is entitled to FMLA leave under these regulations if the reason for the leave is qualifying under the FMLA, as made applicable by the CAA, even if the event occasioning the need for leave (*e.g.*, the birth of a child) occurred before such date (so long as any other requirements are satisfied).

§ 825.104 What employing offices are covered by the FMLA, as made applicable by the CAA?

(a) The FMLA, as made applicable by the CAA, covers all employing offices. As used in the CAA, the term ''employing office'' means—

(1) the personal office of a Member of the House of Representatives or of a Senator;

(2) a committee of the House of Representatives or the Senate or a joint committee;

(3) any other office headed by a person with the final authority to appoint, hire, discharge, and set the terms, conditions, or privileges of the employment of an employee of the House of Representatives or the Senate; or

(4) the Capitol Guide Board, the Capitol Police Board, the Congressional Budget Office, the Office of the Architect of the Capitol, the Office of the Attending Physician, the Office of Compliance, and the Office of Technology Assessment.

(b) [Reserved]

(c) Separate entities will be deemed to be parts of a single employer for purposes of the FMLA, as made applicable by the CAA, if they meet the ''integrated employer'' test. A determination of whether or not separate entities are an integrated employer is not determined by the application of any single criterion, but rather the entire relationship is to be reviewed in its totality. Factors considered in determining whether two or more entities are an integrated employer include:

(i) Common management;

(ii) Interrelation between operations;

(iii) Centralized control of labor relations; and

(iv) Degree of common financial control.

§ 825.105 [Reserved]

§ 825.106 How is ''joint employment'' treated under the FMLA as made applicable by the CAA?

(a) Where two or more employing offices exercise some control over the work or working conditions of the employee, the employing offices may be joint employers under FMLA, as made applicable by the CAA. Where the employee performs work which simultaneously benefits two or more employing offices, or works for two or more employing offices at different times during the workweek, a joint employment relationship generally will be considered to exist in situations such as:

(1) Where there is an arrangement between employing offices to share an employee's services or to interchange employees;

(2) Where one employing office acts directly or indirectly in the interest of the

other employing office in relation to the employee; or

(3) Where the employing offices are not completely disassociated with respect to the employee's employment and may be deemed to share control of the employee, directly or indirectly, because one employing office controls, is controlled by, or is under common control with the other employing office.

(b) A determination of whether or not a joint employment relationship exists is not determined by the application of any single criterion, but rather the entire relationship is to be viewed in its totality. For example, joint employment will ordinarily be found to exist when: (1) an employee, who is employed by an employing office other than the personal office of a Member of the House of Representatives or of a Senator, is under the actual direction and control of the Member of the House of Representatives or Senator; or

(2) two or more employing offices employ an individual to work on common issues or other matters for both or all of them.

(c) When employing offices employ a covered employee jointly, they may designate one of themselves to be the primary employing office, and the other or others to be the secondary employing office(s). Such a designation shall be made by written notice to the covered employee.

(d) If an employing office is designated a primary employing office pursuant to paragraph (c) of this section, only that employing office is responsible for giving required notices to the covered employee, providing FMLA leave, and maintenance of health benefits. Job restoration is the primary responsibility of the primary employing office, and the secondary employing office(s) may, subject to the limitations in § 825.216, be responsible for accepting the employee returning from FMLA leave.

(e) If employing offices employ an employee jointly, but fail to designate a primary employing office pursuant to paragraph (c) of this section, then all of these employing offices shall be jointly and severally liable for giving required notices to the employee, for providing FMLA leave, for assuring that health benefits are maintained, and for job restoration. The employee may give notice of need for FMLA leave, as described in §§ 825.302 and 825.303, to whichever of these employing offices the employee chooses. If the employee makes a written request for restoration to one of these employing offices, that employing office shall be primarily responsible for job restoration, and the other employing office(s) may, subject to the limitations in § 825.216, be responsible for accepting the employee returning from FMLA leave.

§ 825.107 [Reserved]

§ 825.108 [Reserved]

§ 825.109 [Reserved]

§ 825.110 Which employees are ''eligible'' to take FMLA leave under these regulations?

(a) An ''eligible employee'' under these regulations means a covered employee who has been employed in any employing office for 12 months and for at least 1,250 hours of employment during the previous 12 months.

(b) The 12 months an employee must have been employed by any employing office need not be consecutive months. If an employee worked for two or more employing offices sequentially, the time worked will be aggregated to determine whether it equals 12 months. If an employee is maintained on the payroll for any part of a week, including any periods of paid or unpaid leave (sick, vacation) during which other benefits or compensation are provided by the employer (e.g., workers' compensation, group health plan benefits, etc.), the week counts as a week of employment. For purposes of determining whether intermittent/occasional/casual employment qualifies as ''at least 12 months,'' 52 weeks is deemed to be equal to 12 months.

(c) If an employee was employed by two or more employing offices, either sequentially or concurrently, the hours of service will be aggregated to determine whether the minimum of 1,250 hours has been reached. Whether an employee has worked the minimum 1,250 hours of service is determined according to the principles established under the Fair Labor Standards Act (FLSA) , as applied by section 203 of the CAA (2 U.S.C. 1313), for determining compensable hours of work. The determining factor is the number of hours an employee has worked for one or more employing offices. The determination is not limited by methods of record-keeping, or by compensation agreements that do not accurately reflect all of the hours an employee has worked for or been in service to the employing office. Any accurate accounting of actual hours worked may be used. For this purpose, full-time teachers (see § 825.800 for definition) of an elementary or secondary school system, or institution of higher education, or other educational establishment or institution are deemed to meet the 1,250 hour test. An employing office must be able to clearly demonstrate that such an employee did not work 1,250 hours during the previous 12 months in order to claim that the employee is not ''eligible'' for FMLA leave.

(d) The determinations of whether an employee has worked for any employing office for at least 1,250 hours in the previous 12 months and has been employed by any employing office for a total of at least 12 months must be made as of the date leave commences. The ''previous 12 months'' means the 12 months immediately preceding the commencement of the leave. If an employee notifies the employing office of need for FMLA leave before the employee meets these eligibility criteria, the employing office must either confirm the employee's eligibility based upon a projection that the employee will be eligible on the date leave would commence or must advise the employee when the eligibility requirement is met. If the employing office confirms eligibility at the time the notice for leave is received, the employing office may not subsequently challenge the employee's eligibility. In the latter case, if the employing office does not advise the employee whether the employee is eligible as soon as practicable (i.e., two business days absent extenuating circumstances) after the date employee eligibility is determined, the employee will have satisfied the notice requirements and the notice of leave is considered current and outstanding until the employing office does advise. If the employing office fails to advise the employee whether the employee is eligible prior to the date the requested leave is to commence, the employee will be deemed eligible. The employing office may not, then, deny the leave. Where the employee does not give notice of the need for leave more than two business days prior to commencing leave, the employee will be deemed to be eligible if the employing office fails to advise the employee that the employee is not eligible within two business days of receiving the employee's notice.

(e) The period prior to the effective date of the application of FMLA rights and protections under the CAA must be considered in determining employee's eligibility.

(f) [Reserved]

§ 825.111 [Reserved]

§ 825.112 Under what kinds of circumstances are employing offices required to grant family or medical leave?

(a) Employing offices are required to grant leave to eligible employees:

(1) For birth of a son or daughter, and to care for the newborn child;

(2) For placement with the employee of a son or daughter for adoption or foster care;

(3) To care for the employee's spouse, son, daughter, or parent with a serious health condition; and

(4) Because of a serious health condition that makes the employee unable to perform the functions of the employee's job.

(b) The right to take leave under FMLA as made applicable by the CAA applies equally to male and female employees. A father, as well as a mother, can take family leave for the birth, placement for adoption or foster care of a child.

(c) Circumstances may require that FMLA leave begin before the actual date of birth of a child. An expectant mother may take FMLA leave pursuant to paragraph (a)(4) of this section before the birth of the child for prenatal care or if her condition makes her unable to work.

(d) Employing offices are required to grant FMLA leave pursuant to paragraph (a)(2) of this section before the actual placement or adoption of a child if an absence from work is required for the placement for adoption or foster care to proceed. For example, the employee may be required to attend counseling sessions, appear in court, consult with his or her attorney or the doctor(s) representing the birth parent, or submit to a physical examination. The source of an adopted child (*e.g.*, whether from a licensed placement agency or otherwise) is not a factor in determining eligibility for leave for this purpose.

(e) Foster care is 24-hour care for children in substitution for, and away from, their parents or guardian. Such placement is made by or with the agreement of the State as a result of a voluntary agreement between the parent or guardian that the child be removed from the home, or pursuant to a judicial determination of the necessity for foster care, and involves agreement between the State and foster family that the foster family will take care of the child. Although foster care may be with relatives of the child, State action is involved in the removal of the child from parental custody.

(f) In situations where the employer/employee relationship has been interrupted, such as an employee who has been on layoff, the employee must be recalled or otherwise be re-employed before being eligible for FMLA leave. Under such circumstances, an eligible employee is immediately entitled to further FMLA leave for a qualifying reason.

(g) FMLA leave is available for treatment for substance abuse provided the conditions of § 825.114 are met. However, treatment for substance abuse does not prevent an employing office from taking employment action against an employee. The employing office may not take action against the employee because the employee has exercised his or her right to take FMLA leave for treatment. However, if the employing office has an established policy, applied in a non-discriminatory manner that has been communicated to all employees, that provides under certain circumstances an employee may be terminated for substance abuse, pursuant to that policy the employee may be terminated whether or not the employee is presently taking FMLA leave. An employee may also take FMLA leave to care for an immediate family member who is receiving treatment for substance abuse. The employing office may not take action against an employee who is providing care for an immediate family member receiving treatment for substance abuse.

§ 825.113 What do ''spouse,'' ''parent,'' and ''son or daughter'' mean for purposes of an employee qualifying to take FMLA leave?

(a) Spouse means a husband or wife as defined or recognized under State law for purposes of marriage in the State where the employee resides, including common law marriage in States where it is recognized.

(b) Parent means a biological parent or an individual who stands or stood *in loco parentis* to an employee when the employee was a son or daughter as defined in (c) below. This term does not include parents ''in law''.

(c) Son or daughter means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis*, who is either under age 18, or age 18 or older and ''incapable of self-care because of a mental or physical disability.''

(1) ''Incapable of self-care'' means that the individual requires active assistance or supervision to provide daily self-care in three or more of the ''activities of daily living'' (ADLs) or ''instrumental activities of daily living'' (IADLs). Activities of daily living include adaptive activities such as caring appropriately for one's grooming and hygiene, bathing, dressing and eating. Instrumental activities of daily living include cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, using telephones and directories, using a post office, etc.

(2) ''Physical or mental disability'' means a physical or mental impairment that substantially limits one or more of the major life activities of an individual. See the Americans with Disabilities Act (ADA), as made applicable by section 201(a)(3) of the CAA (2 U.S.C. 1311(a)(3)).

(3) Persons who are ''*in loco parentis*'' include those with day-to-day responsibilities to care for and financially support a child or, in the case of an employee, who had such responsibility for the employee when the employee was a child. A biological or legal relationship is not necessary.

(d) For purposes of confirmation of family relationship, the employing office may require the employee giving notice of the need for leave to provide reasonable documentation or statement of family relationship. This documentation may take the form of a simple statement from the employee, or a child's birth certificate, a court document, *etc*. The employing office is entitled to examine documentation such as a birth certificate, *etc*., but the employee is entitled to the return of the official document submitted for this purpose.

§ 825.114 What is a ''serious health condition'' entitling an employee to FMLA leave?

(a) For purposes of FMLA, ''serious health condition'' entitling an employee to FMLA leave means an illness, injury, impairment, or physical or mental condition that involves:

(1) *Inpatient care* (*i.e*., an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of *incapacity* (for purposes of this section, defined to mean inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment therefor, or recovery therefrom), or any subsequent treatment in connection with such inpatient care; or

(2) *Continuing treatment* by a health care provider. A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:

(i) A period of *incapacity* (*i.e*., inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment therefor, or recovery therefrom) of more than three consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:

(A) Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (*e.g*., physical therapist) under orders of, or on referral by, a health care provider; or

(B) Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider.

(ii) Any period of incapacity due to pregnancy, or for prenatal care.

(iii) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:

(A) Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;

(B) Continues over an extended period of time (including recurring episodes of a single underlying condition); and

(C) May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.).

(iv) A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.

(v) Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), kidney disease (dialysis).

(b) Treatment for purposes of paragraph (a) of this section includes (but is not limited to) examinations to determine if a serious health condition exists and evaluations of the condition. Treatment does not include routine physical examinations, eye examinations, or dental examinations. Under paragraph (a)(2)(i)(B), a regimen of continuing treatment includes, for example, a course of prescription medication (e.g., an antibiotic) or therapy requiring special equipment to resolve or alleviate the health condition (e.g., oxygen). A regimen of continuing treatment that includes the taking of over-the-counter medications such as aspirin, antihistamines, or salves; or bed-rest, drinking fluids, exercise, and other similar activities that can be initiated without a visit to a health care provider, is not, by itself, sufficient to constitute a regimen of continuing treatment for purposes of FMLA leave.

(c) Conditions for which cosmetic treatments are administered (such as most treatments for acne or plastic surgery) are not ''serious health conditions'' unless inpatient hospital care is required or unless complications develop. Ordinarily, unless complications arise, the common cold, the flu, ear aches, upset stomach, minor ulcers, headaches other than migraine, routine dental or orthodontia problems, periodontal disease, etc., are examples of conditions that do not meet the definition of a serious health condition and do not qualify for FMLA leave. Restorative dental or plastic surgery after an injury or removal of cancerous growths are serious health conditions provided all the other conditions of this regulation are met. Mental illness resulting from stress or allergies may be serious health conditions, but only if all the conditions of this section are met.

(d) Substance abuse may be a serious health condition if the conditions of this section are met. However, FMLA leave may only be taken for treatment for substance abuse by a health care provider or by a provider of health care services on referral by a health care provider. On the other hand, absence because of the employee's use of the substance, rather than for treatment, does not qualify for FMLA leave.

(e) Absences attributable to incapacity under paragraphs (a)(2)(ii) or (iii) qualify for FMLA leave even though the employee or the immediate family member does not receive treatment from a health care provider during the absence, and even if the absence does not last more than three days. For example, an employee with asthma may be unable to report for work due to the onset of an asthma attack or because the employee's health care provider has advised the employee to stay home when the pollen count exceeds a certain level. An employee who is pregnant may be unable to report to work because of severe morning sickness.

§ 825.115 What does it mean that ''the employee is unable to perform the functions of the position of the employee''?

An employee is ''unable to perform the functions of the position'' where the health care provider finds that the employee is unable to work at all or is unable to perform any one of the essential functions of the employee's position within the meaning of the Americans with Disabilities Act (ADA), as made applicable by section 201(a)(3) of the CAA (2 U.S.C. 1311(a)(3)). An employee who must be absent from work to receive medical treatment for a serious health condition is considered to be unable to perform the essential functions of the position during the absence for treatment. An employing office has the option, in requiring certification from a health care provider, to provide a statement of the essential functions of the employee's position for the health care provider to review. For purposes of FMLA, the essential functions of the employee's position are to be determined with reference to the position the employee held at the time notice is given or leave commenced, whichever is earlier.

§ 825.116 What does it mean that an employee is ''needed to care for'' a family member?

(a) The medical certification provision that an employee is ''needed to care for'' a family member encompasses both physical and psychological care. It includes situations where, for example, because of a serious health condition, the family member is unable to care for his or her own basic medical, hygienic, or nutritional needs or safety, or is unable to transport himself or herself to the doctor, etc. The term also includes providing psychological comfort and reassurance which would be beneficial to a child, spouse or parent with a serious health condition who is receiving inpatient or home care.

(b) The term also includes situations where the employee may be needed to fill in for others who are caring for the family member, or to make arrangements for changes in care, such as transfer to a nursing home.

(c) An employee's intermittent leave or a reduced leave schedule necessary to care for a family member includes not only a situation where the family member's condition itself is intermittent, but also where the employee is only needed intermittently ''such as where other care is normally available, or care responsibilities are shared with another member of the family or a third party.

§ 825.117 For an employee seeking intermittent FMLA leave or leave on a reduced leave schedule, what is meant by ''the medical necessity for'' such leave?

For intermittent leave or leave on a reduced leave schedule, there must be a medical need for leave (as distinguished from voluntary treatments and procedures) and it must be that such medical need can be best accommodated through an intermittent or reduced leave schedule. The treatment regimen and other information described in the certification of a serious health condition (see § 825.306) meets the requirement for certification of the medical necessity of intermittent leave or leave on a reduced leave schedule. Employees needing intermittent FMLA leave or leave on a reduced leave schedule must attempt to schedule their leave so as not to disrupt the employing office's operations. In addition, an employing office may assign an employee to an alternative position with equivalent pay and benefits that better accommodates the employee's intermittent or reduced leave schedule.

§ 825.118 What is a ''health care provider''?

(a)(1) The term ''health care provider'' means:

(i) A doctor of medicine or osteopathy who is authorized to practice medicine or surgery (as appropriate) by the State in which the doctor practices; or

(ii) Any other person determined by the Office of Compliance to be capable of providing health care services.

(2) In making a determination referred to in subparagraph (1)(ii), and absent good cause shown to do otherwise, the Office of Compliance will follow any determination made by the Secretary of Labor (under section 101(6)(B) of the FMLA, 29 U.S.C. 2611(6)(B)) that a person is capable of providing health care services, provided the Secretary's determination was not made at the request of a person who was then a covered employee.

(b) Others ''capable of providing health care services'' include only:

(1) Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice in the State and performing within the scope of their practice as defined under State law;

(2) Nurse practitioners, nurse-midwives and clinical social workers who are authorized to practice under State law and who are performing within the scope of their practice as defined under State law;

(3) Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts. Where an employee or family member is receiving treatment from a Christian Science practitioner, an employee may not object to any requirement from an employing office that the employee or family member submit to examination (though not treatment) to obtain a second or third certification from a health care provider other than a Christian Science practitioner except as otherwise provided under applicable State or local law or collective bargaining agreement.

(4) Any health care provider from whom an employing office or the employing office's group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits; and

(5) A health care provider listed above who practices in a country other than the United States, who is authorized to practice in accordance with the law of that country, and who is performing within the scope of his or her practice as defined under such law.

(c) The phrase ''authorized to practice in the State'' as used in this section means that the provider must be authorized to diagnose and treat physical or mental health conditions without supervision by a doctor or other health care provider.

Subpart B—What Leave Is an Employee Entitled To Take Under the Family and Medical Leave Act, as Made Applicable by the Congressional Accountability Act?

§ 825.200 How much leave may an employee take?

(a) An eligible employee's FMLA leave entitlement is limited to a total of 12 workweeks of leave during any 12-month period for any one, or more, of the following reasons:

(1) The birth of the employee's son or daughter, and to care for the newborn child;

(2) The placement with the employee of a son or daughter for adoption or foster care, and to care for the newly placed child;

(3) To care for the employee's spouse, son, daughter, or parent with a serious health condition; and,

(4) Because of a serious health condition that makes the employee unable to perform one or more of the essential functions of his or her job.

(b) An employing office is permitted to choose any one of the following methods for determining the ''12-month period'' in which the 12 weeks of leave entitlement occurs:

(1) The calendar year;

(2) Any fixed 12-month ''leave year,'' such as a fiscal year or a year starting on an employee's ''anniversary'' date;

(3) The 12-month period measured forward from the date any employee's first FMLA leave begins; or

(4) A ''rolling'' 12-month period measured backward from the date an employee uses any FMLA leave (except that such measure may not extend back before the date on which the application of FMLA rights and protections first becomes effective for the employing office; see § 825.102).

(c) Under methods in paragraphs (b)(1) and (b)(2) of this section an employee would be entitled to up to 12 weeks of FMLA leave at any time in the fixed 12-month period selected. An employee could, therefore, take 12 weeks of leave at the end of the year and 12 weeks at the beginning of the following year. Under the method in paragraph (b)(3) of this section, an employee would be entitled to 12 weeks of leave during the year beginning on the first date FMLA leave is taken; the next 12-month period would begin the first time FMLA leave is taken after completion of any previous 12-month period. Under the method in paragraph (b)(4) of this section, the ''rolling'' 12-month period, each time an employee takes FMLA leave the remaining leave entitlement would be any balance of the 12 weeks which has not been used during the immediately preceding 12 months. For example, if an employee has taken eight weeks of leave during the past 12 months, an additional four weeks of leave could be taken. If an employee used four weeks beginning February 1, 1997, four weeks beginning June 1, 1997, and four weeks beginning December 1, 1997, the employee would not be entitled to any additional leave until February 1, 1998. However, beginning on February 1, 1998, the employee would be entitled to four weeks of leave, on June 1 the employee would be entitled to an additional four weeks, etc.

(d)(1) Employing offices will be allowed to choose any one of the alternatives in paragraph (b) of this section provided the alternative chosen is applied consistently and uniformly to all employees. An employing office wishing to change to another alternative is required to give at least 60 days notice to all employees, and the transition must take place in such a way that the employees retain the full benefit of 12 weeks of leave under whichever method affords the greatest benefit to the employee. Under no circumstances may a new method be implemented in order to avoid the CAA's FMLA leave requirements.

(2) [Reserved]

(e) If an employing office fails to select one of the options in paragraph (b) of this section for measuring the 12-month period, the option that provides the most beneficial outcome for the employee will be used. The employing office may subsequently select an option only by providing the 60-day notice to all employees of the option the employing office intends to implement. During the running of the 60-day period any other employee who needs FMLA leave may use the option providing the most beneficial outcome to that employee. At the conclusion of the 60-day period the employing office may implement the selected option.

(f) For purposes of determining the amount of leave used by an employee, the fact that a holiday may occur within the week taken as FMLA leave has no effect; the week is counted as a week of FMLA leave. However, if for some reason the employing office's activity has temporarily ceased and employees generally are not expected to report for work for one or more weeks (e.g., a school closing two weeks for the Christmas/New Year holiday or the summer vacation or an employing office closing the office for repairs), the days the employing office's activities have ceased do not count against the employee's FMLA leave entitlement. Methods for determining an employee's 12-week leave entitlement are also described in § 825.205.

(g)(1) If employing offices jointly employ an employee, and if they designate a primary employer pursuant to § 825.106(c), the primary employer may choose any one of the alternatives in paragraph (b) of this section for measuring the 12-month period, provided that the alternative chosen is applied consistently and uniformly to all employees of the primary employer including the jointly employed employee.

(2) If employing offices fail to designated a primary employer pursuant to § 825.106(c), an employee jointly employed by the employing offices may, by so notifying one of the employing offices, select that employing office to be the primary employer of the employee for purposes of the application of paragraphs (d) and (e) of this section.

§ 825.201 If leave is taken for the birth of a child, or for placement of a child for adoption or foster care, when must the leave be concluded?

An employee's entitlement to leave for a birth or placement for adoption or foster care expires at the end of the 12-month period beginning on the date of the birth or placement, unless the employing office permits leave to be taken for a longer period. Any such FMLA leave must be concluded within this one-year period.

§ 825.202 How much leave may a husband and wife take if they are employed by the same employing office?

(a) A husband and wife who are eligible for FMLA leave and are employed by the same employing office may be limited to a combined total of 12 weeks of leave during any 12-month period if the leave is taken:

(1) for birth of the employee's son or daughter or to care for the child after birth;

(2) for placement of a son or daughter with the employee for adoption or foster care, or to care for the child after placement; or

(3) to care for the employee's parent with a serious health condition.

(b) This limitation on the total weeks of leave applies to leave taken for the reasons

specified in paragraph (a) of this section as long as a husband and wife are employed by the ''same employing office.'' It would apply, for example, even though the spouses are employed at two different work sites of an employing office. On the other hand, if one spouse is ineligible for FMLA leave, the other spouse would be entitled to a full 12 weeks of FMLA leave.

(c) Where the husband and wife both use a portion of the total 12-week FMLA leave entitlement for one of the purposes in paragraph (a) of this section, the husband and wife would each be entitled to the difference between the amount he or she has taken individually and 12 weeks for FMLA leave for a purpose other than those contained in paragraph (a) of this section. For example, if each spouse took 6 weeks of leave to care for a healthy, newborn child, each could use an additional 6 weeks due to his or her own serious health condition or to care for a child with a serious health condition.

§ 825.203 Does FMLA leave have to be taken all at once, or can it be taken in parts?

(a) FMLA leave may be taken ''intermittently or on a reduced leave schedule'' under certain circumstances. Intermittent leave is FMLA leave taken in separate blocks of time due to a single qualifying reason. A reduced leave schedule is a leave schedule that reduces an employee's usual number of working hours per work week, or hours per workday. A reduced leave schedule is a change in the employee's schedule for a period of time, normally from full-time to part-time.

(b) When leave is taken after the birth or placement of a child for adoption or foster care, an employee may take leave intermittently or on a reduced leave schedule only if the employing office agrees. Such a schedule reduction might occur, for example, where an employee, with the employing office's agreement, works part-time after the birth of a child, or takes leave in several segments. The employing office's agreement is not required, however, for leave during which the mother has a serious health condition in connection with the birth of her child or if the newborn child has a serious health condition.

(c) Leave may be taken intermittently or on a reduced leave schedule when medically necessary for planned and/or unanticipated medical treatment of a related serious health condition by or under the supervision of a health care provider, or for recovery from treatment or recovery from a serious health condition. It may also be taken to provide care or psychological comfort to an immediate family member with a serious health condition.

(1) Intermittent leave may be taken for a serious health condition which requires treatment by a health care provider periodically, rather than for one continuous period of time, and may include leave of periods from an hour or more to several weeks. Examples of intermittent leave would include leave taken on an occasional basis for medical appointments, or leave taken several days at a time spread over a period of six months, such as for chemotherapy. A pregnant employee may take leave intermittently for prenatal examinations or for her own condition, such as for periods of severe morning sickness. An example of an employee taking leave on a reduced leave schedule is an employee who is recovering from a serious health condition and is not strong enough to work a full-time schedule.

(2) Intermittent or reduced schedule leave may be taken for absences where the employee or family member is incapacitated or unable to perform the essential functions of the position because of a chronic serious health condition even if he or she does not receive treatment by a health care provider.

(d) There is no limit on the size of an increment of leave when an employee takes intermittent leave or leave on a reduced leave schedule. However, an employing office may limit leave increments to the shortest period of time that the employing office's payroll system uses to account for absences or use of leave, provided it is one hour or less. For example, an employee might take two hours off for a medical appointment, or might work a reduced day of four hours over a period of several weeks while recuperating from an illness. An employee may not be required to take more FMLA leave than necessary to address the circumstance that precipitated the need for the leave, except as provided in §§ 825.601 and 825.602.

§ 825.204 May an employing office transfer an employee to an ''alternative position'' in order to accommodate intermittent leave or a reduced leave schedule?

(a) If an employee needs intermittent leave or leave on a reduced leave schedule that is foreseeable based on planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition, or if the employing office agrees to permit intermittent or reduced schedule leave for the birth of a child or for placement of a child for adoption or foster care, the employing office may require the employee to transfer temporarily, during the period the intermittent or reduced leave schedule is required, to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee's regular position. See § 825.601 for special rules applicable to instructional employees of schools.

(b) Transfer to an alternative position may require compliance with any applicable collective bargaining agreement and any applicable law (such as the Americans with Disabilities Act, as made applicable by the CAA). Transfer to an alternative position may include altering an existing job to better accommodate the employee's need for intermittent or reduced leave.

(c) The alternative position must have equivalent pay and benefits. An alternative position for these purposes does not have to have equivalent duties. The employing office may increase the pay and benefits of an existing alternative position, so as to make them equivalent to the pay and benefits of the employee's regular job. The employing office may also transfer the employee to a part-time job with the same hourly rate of pay and benefits, provided the employee is not required to take more leave than is medically necessary. For example, an employee desiring to take leave in increments of four hours per day could be transferred to a half-time job, or could remain in the employee's same job on a part-time schedule, paying the same hourly rate as the employee's previous job and enjoying the same benefits. The employing office may not eliminate benefits which otherwise would not be provided to part-time employees; however, an employing office may proportionately reduce benefits such as vacation leave where an employing office's normal practice is to base such benefits on the number of hours worked.

(d) An employing office may not transfer the employee to an alternative position in order to discourage the employee from taking leave or otherwise work a hardship on the employee. For example, a white collar employee may not be assigned to perform laborer's work; an employee working the day shift may not be reassigned to the graveyard shift; an employee working in the headquarters facility may not be reassigned to a branch a significant distance away from the employee's normal job location. Any such attempt on the part of the employing office to make such a transfer will be held to be contrary to the prohibited-acts provisions of the FMLA, as made applicable by the CAA.

(e) When an employee who is taking leave intermittently or on a reduced leave schedule and has been transferred to an alternative position no longer needs to continue on leave and is able to return to full-time work, the employee must be placed in the same or equivalent job as the job he/she left when the leave commenced. An employee may not be required to take more leave than necessary to address the circumstance that precipitated the need for leave.

§ 825.205 How does one determine the amount of leave used where an employee takes leave intermittently or on a reduced leave schedule?

(a) If an employee takes leave on an intermittent or reduced leave schedule, only the amount of leave actually taken may be counted toward the 12 weeks of leave to which an employee is entitled. For example, if an employee who normally works five days a week takes off one day, the employee would use 1/5 of a week of FMLA leave. Similarly, if a full-time employee who normally works 8-hour days works 4-hour days under a reduced leave schedule, the employee would use ½ week of FMLA leave each week.

(b) Where an employee normally works a part-time schedule or variable hours, the amount of leave to which an employee is entitled is determined on a pro rata or proportional basis by comparing the new schedule with the employee's normal schedule. For example, if an employee who normally works 30 hours per week works only 20 hours a week under a reduced leave schedule, the employee's ten hours of leave would constitute one-third of a week of FMLA leave for each week the employee works the reduced leave schedule.

(c) If an employing office has made a permanent or long-term change in the employee's schedule (for reasons other than FMLA, and prior to the notice of need for FMLA leave), the hours worked under the new schedule are to be used for making this calculation.

(d) If an employee's schedule varies from week to week, a weekly average of the hours worked over the 12 weeks prior to the beginning of the leave period would be used for calculating the employee's normal workweek.

§ 825.206 May an employing office deduct hourly amounts from an employee's salary, when providing unpaid leave under FMLA, as made applicable by the CAA, without affecting the employee's qualification for exemption as an executive, administrative, or professional employee, or when utilizing the fluctuating workweek method for payment of overtime, under the Fair Labor Standards Act?

(a) Leave taken under FMLA, as made applicable by the CAA, may be unpaid. If an employee is otherwise exempt from minimum wage and overtime requirements of the Fair Labor Standards Act (FLSA), as made applicable by the CAA, as a salaried executive, administrative, or professional employee (under regulations issued by the Board, at part 541), providing unpaid FMLA-qualifying leave to such an employee will not cause the employee to lose the FLSA exemption. This means that under regulations currently in effect, where an employee meets the specified duties test, is paid on a salary basis, and is paid a salary of at least the amount specified in the regulations, the employing office may make deductions from the employee's salary for any hours taken as intermittent or reduced FMLA leave within

a workweek, without affecting the exempt status of the employee. The fact that an employing office provides FMLA leave, whether paid or unpaid, or maintains any records regarding FMLA leave, will not be relevant to the determination whether an employee is exempt within the meaning of the Board's regulations at part 541.

(b) For an employee paid in accordance with a fluctuating workweek method of payment for overtime, where permitted by section 203 of the CAA (2 U.S.C. 1313), the employing office, *during the period* in which intermittent or reduced schedule FMLA leave is scheduled to be taken, may compensate an employee on an hourly basis and pay only for the hours the employee works, including time and one-half the employee's regular rate for overtime hours. The change to payment on an hourly basis would include the entire period during which the employee is taking intermittent leave, including weeks in which no leave is taken. The hourly rate shall be determined by dividing the employee's weekly salary by the employee's normal or average schedule of hours worked during weeks in which FMLA leave is not being taken. If an employing office chooses to follow this exception from the fluctuating workweek method of payment, the employing office must do so uniformly, with respect to all employees paid on a fluctuating workweek basis for whom FMLA leave is taken on an intermittent or reduced leave schedule basis. If an employing office does not elect to convert the employee's compensation to hourly pay, no deduction may be taken for FMLA leave absences. Once the need for intermittent or reduced scheduled leave is over, the employee may be restored to payment on a fluctuating work week basis.

(c) This special exception to the ''salary basis'' requirements of the FLSA exemption or fluctuating workweek payment requirements applies only to employees of employing offices who are eligible for FMLA leave, and to leave which qualifies as (one of the four types of) FMLA leave. Hourly or other deductions which are not in accordance with the Board's regulations at part 541 or with a permissible fluctuating workweek method of payment for overtime may not be taken, for example, where the employee has not worked long enough to be eligible for FMLA leave without potentially affecting the employee's eligibility for exemption. Nor may deductions which are not permitted by the Board's regulations at part 541 or by a permissible fluctuating workweek method of payment for overtime be taken from such an employee's salary for any leave which does not qualify as FMLA leave, for example, deductions from an employee's pay for leave required under an employing office's policy or practice for a reason which does not qualify as FMLA leave, *e.g.*, leave to care for a grandparent or for a medical condition which does not qualify as a serious health condition; or for leave which is more generous than provided by FMLA as made applicable by the CAA, such as leave in excess of 12 weeks in a year. The employing office may comply with the employing office's own policy/practice under these circumstances and maintain the employee's eligibility for exemption or for the fluctuating workweek method of pay by not taking hourly deductions from the employee's pay, in accordance with FLSA requirements, or may take such deductions, treating the employee as an ''hourly'' employee and pay overtime premium pay for hours worked over 40 in a workweek.

§ 825.207 Is FMLA leave paid or unpaid?

(a) Generally, FMLA leave is unpaid. However, under the circumstances described in this section, FMLA, as made applicable by the CAA, permits an eligible employee to choose to substitute paid leave for FMLA leave. If an employee does not choose to substitute accrued paid leave, the employing office may require the employee to substitute accrued paid leave for FMLA leave.

(b) Where an employee has earned or accrued paid vacation, personal or family leave, that paid leave may be substituted for all or part of any (otherwise) unpaid FMLA leave relating to birth, placement of a child for adoption or foster care, or care for a spouse, child or parent who has a serious health condition. The term ''family leave'' as used in FMLA refers to paid leave provided by the employing office covering the particular circumstances for which the employee seeks leave for either the birth of a child and to care for such child, placement of a child for adoption or foster care, or care for a spouse, child or parent with a serious health condition. For example, if the employing office's leave plan allows use of family leave to care for a child but not for a parent, the employing office is not required to allow accrued family leave to be substituted for FMLA leave used to care for a parent.

(c) Substitution of paid accrued vacation, personal, or medical/sick leave may be made for any (otherwise) unpaid FMLA leave needed to care for a family member or the employee's own serious health condition. Substitution of paid sick/medical leave may be elected to the extent the circumstances meet the employing office's usual requirements for the use of sick/medical leave. An employing office is not required to allow substitution of paid sick or medical leave for unpaid FMLA leave ''in any situation'' where the employing office's uniform policy would not normally allow such paid leave. An employee, therefore, has a right to substitute paid medical/sick leave to care for a seriously ill family member only if the employing office's leave plan allows paid leave to be used for that purpose. Similarly, an employee does not have a right to substitute paid medical/sick leave for a serious health condition which is not covered by the employing office's leave plan.

(d)(1) Disability leave for the birth of a child would be considered FMLA leave for a serious health condition and counted in the 12 weeks of leave permitted under FMLA as made applicable by the CAA. Because the leave pursuant to a temporary disability benefit plan is not unpaid, the provision for substitution of paid leave is inapplicable. However, the employing office may designate the leave as FMLA leave and count the leave as running concurrently for purposes of both the benefit plan and the FMLA leave entitlement. If the requirements to qualify for payments pursuant to the employing office's temporary disability plan are more stringent than those of FMLA as made applicable by the CAA, the employee must meet the more stringent requirements of the plan, or may choose not to meet the requirements of the plan and instead receive no payments from the plan and use unpaid FMLA leave or substitute available accrued paid leave.

(2) The FMLA as made applicable by the CAA provides that a serious health condition may result from injury to the employee ''on or off'' the job. If the employing office designates the leave as FMLA leave in accordance with § 825.208, the employee's FMLA 12-week leave entitlement may run concurrently with a workers' compensation absence when the injury is one that meets the criteria for a serious health condition. As the workers' compensation absence is not unpaid leave, the provision for substitution of the employee's accrued paid leave is not applicable. However, if the health care provider treating the employee for the workers' compensation injury certifies the employee is able to return to a ''light duty job'' but is unable to return to the same or equivalent job, the employee may decline the employing office's offer of a ''light duty job''. As a result the employee may lose workers' compensation payments, but is entitled to remain on unpaid FMLA leave until the 12-week entitlement is exhausted. As of the date workers' compensation benefits cease, the substitution provision becomes applicable and either the employee may elect or the employing office may require the use of accrued paid leave. See also §§ 825.210(f), 825.216(d), 825.220(d), 825.307(a)(1) and 825.702 (d) (1) and (2) regarding the relationship between workers' compensation absences and FMLA leave.

(e) Paid vacation or personal leave, including leave earned or accrued under plans allowing ''paid time off,'' may be substituted, at either the employee's or the employing office's option, for any qualified FMLA leave. No limitations may be placed by the employing office on substitution of paid vacation or personal leave for these purposes.

(f) If neither the employee nor the employing office elects to substitute paid leave for unpaid FMLA leave under the above conditions and circumstances, the employee will remain entitled to all the paid leave which is earned or accrued under the terms of the employing office's plan.

(g) If an employee uses paid leave under circumstances which do not qualify as FMLA leave, the leave will not count against the 12 weeks of FMLA leave to which the employee is entitled. For example, paid sick leave used for a medical condition which is not a serious health condition does not count against the 12 weeks of FMLA leave entitlement.

(h) When an employee or employing office elects to substitute paid leave (of any type) for unpaid FMLA leave under circumstances permitted by these regulations, and the employing office's procedural requirements for taking that kind of leave are less stringent than the requirements of FMLA as made applicable by the CAA (e.g., notice or certification requirements), only the less stringent requirements may be imposed. An employee who complies with an employing office's less stringent leave plan requirements in such cases may not have leave for an FMLA purpose delayed or denied on the grounds that the employee has not complied with stricter requirements of FMLA as made applicable by the CAA. However, where accrued paid vacation or personal leave is substituted for unpaid FMLA leave for a serious health condition, an employee may be required to comply with any less stringent medical certification requirements of the employing office's sick leave program. See §§ 825.302(g), 825.305(e) and 825.306(c).

(i) Compensatory time off, if any is authorized under applicable law, is not a form of accrued paid leave that an employing office may require the employee to substitute for unpaid FMLA leave. The employee may request to use his/her balance of compensatory time for an FMLA reason. If the employing office permits the accrual of compensatory time to be used in compliance with applicable Board regulations, the absence which is paid from the employee's accrued compensatory time ''account'' may not be counted against the employee's FMLA leave entitlement.

§ 825.208 Under what circumstances may an employing office designate leave, paid or unpaid, as FMLA leave and, as a result, enable leave to be counted against the employee's total FMLA leave entitlement?

(a) In all circumstances, it is the employing office's responsibility to designate leave, paid or unpaid, as FMLA-qualifying, and to give notice of the designation to the employee as provided in this section. In the

case of intermittent leave or leave on a reduced schedule, only one such notice is required unless the circumstances regarding the leave have changed. The employing office's designation decision must be based only on information received from the employee or the employee's spokesperson (*e.g.*, if the employee is incapacitated, the employee's spouse, adult child, parent, doctor, etc., may provide notice to the employing office of the need to take FMLA leave). In any circumstance where the employing office does not have sufficient information about the reason for an employee's use of paid leave, the employing office should inquire further of the employee or the spokesperson to ascertain whether the paid leave is potentially FMLA-qualifying.

(1) An employee giving notice of the need for unpaid FMLA leave must explain the reasons for the needed leave so as to allow the employing office to determine that the leave qualifies under the FMLA, as made applicable by the CAA. If the employee fails to explain the reasons, leave may be denied. In many cases, in explaining the reasons for a request to use paid leave, especially when the need for the leave was unexpected or unforeseen, an employee will provide sufficient information for the employing office to designate the paid leave as FMLA leave. An employee using accrued paid leave, especially vacation or personal leave, may in some cases not spontaneously explain the reasons or their plans for using their accrued leave.

(2) As noted in § 825.302(c), an employee giving notice of the need for unpaid FMLA leave does not need to expressly assert rights under the FMLA as made applicable by the CAA or even mention the FMLA to meet his or her obligation to provide notice, though the employee would need to state a qualifying reason for the needed leave. An employee requesting or notifying the employing office of an intent to use accrued paid leave, even if for a purpose covered by FMLA, would not need to assert such right either. However, if an employee requesting to use paid leave for an FMLA-qualifying purpose does not explain the reason for the leave—consistent with the employing office's established policy or practice—and the employing office denies the employee's request, the employee will need to provide sufficient information to establish an FMLA-qualifying reason for the needed leave so that the employing office is aware of the employee's entitlement (i.e., that the leave may not be denied) and, then, may designate that the paid leave be appropriately counted against (substituted for) the employee's 12-week entitlement. Similarly, an employee using accrued paid vacation leave who seeks an extension of unpaid leave for an FMLA-qualifying purpose will need to state the reason. If this is due to an event which occurred during the period of paid leave, the employing office may count the leave used after the FMLA-qualifying event against the employee's 12-week entitlement.

(b)(1) Once the employing office has acquired knowledge that the leave is being taken for an FMLA required reason, the employing office must promptly (within two business days absent extenuating circumstances) notify the employee that the paid leave is designated and will be counted as FMLA leave. If there is a dispute between an employing office and an employee as to whether paid leave qualifies as FMLA leave, it should be resolved through discussions between the employee and the employing office. Such discussions and the decision must be documented.

(2) The employing office's notice to the employee that the leave has been designated as FMLA leave may be orally or in writing. If the notice is oral, it shall be confirmed in writing, no later than the following payday (unless the payday is less than one week after the oral notice, in which case the notice must be no later than the subsequent payday). The written notice may be in any form, including a notation on the employee's pay stub.

(c) If the employing office requires paid leave to be substituted for unpaid leave, or that paid leave taken under an existing leave plan be counted as FMLA leave, this decision must be made by the employing office within two business days of the time the employee gives notice of the need for leave, or, where the employing office does not initially have sufficient information to make a determination, when the employing office determines that the leave qualifies as FMLA leave if this happens later. The employing office's designation must be made before the leave starts, unless the employing office does not have sufficient information as to the employee's reason for taking the leave until after the leave commenced. If the employing office has the requisite knowledge to make a determination that the paid leave is for an FMLA reason at the time the employee either gives notice of the need for leave or commences leave and fails to designate the leave as FMLA leave (and so notify the employee in accordance with paragraph (b)), the employing office may not designate leave as FMLA leave retroactively, and may designate only prospectively as of the date of notification to the employee of the designation. In such circumstances, the employee is subject to the full protections of the FMLA, as made applicable by the CAA, but none of the absence preceding the notice to the employee of the designation may be counted against the employee's 12-week FMLA leave entitlement.

(d) If the employing office learns that leave is for an FMLA purpose after leave has begun, such as when an employee gives notice of the need for an extension of the paid leave with unpaid FMLA leave, the entire or some portion of the paid leave period may be retroactively counted as FMLA leave, to the extent that the leave period qualified as FMLA leave. For example, an employee is granted two weeks paid vacation leave for a skiing trip. In mid-week of the second week, the employee contacts the employing office for an extension of leave as unpaid leave and advises that at the beginning of the second week of paid vacation leave the employee suffered a severe accident requiring hospitalization. The employing office may notify the employee that both the extension and the second week of paid vacation leave (from the date of the injury) is designated as FMLA leave. On the other hand, when the employee takes sick leave that turns into a serious health condition (*e.g.*, bronchitis that turns into bronchial pneumonia) and the employee gives notice of the need for an extension of leave, the entire period of the serious health condition may be counted as FMLA leave.

(e) Employing offices may not designate leave as FMLA leave after the employee has returned to work with two exceptions:

(1) If the employee was absent for an FMLA reason and the employing office did not learn the reason for the absence until the employee's return (e.g., where the employee was absent for only a brief period), the employing office may, upon the employee's return to work, promptly (within two business days of the employee's return to work) designate the leave retroactively with appropriate notice to the employee. If leave is taken for an FMLA reason but the employing office was not aware of the reason, and the employee desires that the leave be counted as FMLA leave, the employee must notify the employing office within two business days of returning to work of the reason for the leave. In the absence of such timely notification by the employee, the employee may not subsequently assert FMLA protections for the absence.

(2) If the employing office knows the reason for the leave but has not been able to confirm that the leave qualifies under FMLA, or where the employing office has requested medical certification which has not yet been received or the parties are in the process of obtaining a second or third medical opinion, the employing office should make a preliminary designation, and so notify the employee, at the time leave begins, or as soon as the reason for the leave becomes known. Upon receipt of the requisite information from the employee or of the medical certification which confirms the leave is for an FMLA reason, the preliminary designation becomes final. If the medical certifications fail to confirm that the reason for the absence was an FMLA reason, the employing office must withdraw the designation (with written notice to the employee).

(f) If, before beginning employment with an employing office, an employee had been employed by another employing office, the subsequent employing office may count against the employee's FMLA leave entitlement FMLA leave taken from the prior employing office, except that, if the FMLA leave began after the effective of these regulations (or if the FMLA leave was subject to other applicable requirement under which the employing office was to have designated the leave as FMLA leave), the prior employing office must have properly designated the leave as FMLA under these regulations or other applicable requirement.

§ 825.209 Is an employee entitled to benefits while using FMLA leave?

(a) During any FMLA leave, the employing office must maintain the employee's coverage under the Federal Employees Health Benefits Program or any group health plan (as defined in the Internal Revenue Code of 1986 at 26 U.S.C. 5000(b)(1)) on the same conditions as coverage would have been provided if the employee had been continuously employed during the entire leave period. All employing offices are subject to the requirements of the FMLA, as made applicable by the CAA, to maintain health coverage. The definition of ''group health plan'' is set forth in § 825.800. For purposes of FMLA, the term ''group health plan'' shall not include an insurance program providing health coverage under which employees purchase individual policies from insurers provided that:

(1) no contributions are made by the employing office;

(2) participation in the program is completely voluntary for employees;

(3) the sole functions of the employing office with respect to the program are, without endorsing the program, to permit the insurer to publicize the program to employees, to collect premiums through payroll deductions and to remit them to the insurer;

(4) the employing office receives no consideration in the form of cash or otherwise in connection with the program, other than reasonable compensation, excluding any profit, for administrative services actually rendered in connection with payroll deduction; and,

(5) the premium charged with respect to such coverage does not increase in the event the employment relationship terminates.

(b) The same group health plan benefits provided to an employee prior to taking FMLA leave must be maintained during the FMLA leave. For example, if family member coverage is provided to an employee, family member coverage must be maintained during the FMLA leave. Similarly, benefit coverage

during FMLA leave for medical care, surgical care, hospital care, dental care, eye care, mental health counseling, substance abuse treatment, etc., must be maintained during leave if provided in an employing office's group health plan, including a supplement to a group health plan, whether or not provided through a flexible spending account or other component of a cafeteria plan.

(c) If an employing office provides a new health plan or benefits or changes health benefits or plans while an employee is on FMLA leave, the employee is entitled to the new or changed plan/benefits to the same extent as if the employee were not on leave. For example, if an employing office changes a group health plan so that dental care becomes covered under the plan, an employee on FMLA leave must be given the same opportunity as other employees to receive (or obtain) the dental care coverage. Any other plan changes (*e.g.*, in coverage, premiums, deductibles, etc.) which apply to all employees of the workforce would also apply to an employee on FMLA leave.

(d) Notice of any opportunity to change plans or benefits must also be given to an employee on FMLA leave. If the group health plan permits an employee to change from single to family coverage upon the birth of a child or otherwise add new family members, such a change in benefits must be made available while an employee is on FMLA leave. If the employee requests the changed coverage it must be provided by the employing office.

(e) An employee may choose not to retain group health plan coverage during FMLA leave. However, when an employee returns from leave, the employee is entitled to be reinstated on the same terms as prior to taking the leave, including family or dependent coverages, without any qualifying period, physical examination, exclusion of pre-existing conditions, etc. See § 825.212(c).

(f) Except as required by the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) or 5 U.S.C. 8905a, whichever is applicable, and for ''key'' employees (as discussed below), an employing office's obligation to maintain health benefits during leave (and to restore the employee to the same or equivalent employment) under FMLA ceases if and when the employment relationship would have terminated if the employee had not taken FMLA leave (*e.g.*, if the employee's position is eliminated as part of a nondiscriminatory reduction in force and the employee would not have been transferred to another position); an employee informs the employing office of his or her intent not to return from leave (including before starting the leave if the employing office is so informed before the leave starts); or the employee fails to return from leave or continues on leave after exhausting his or her FMLA leave entitlement in the 12-month period.

(g) If a ''key employee'' (see § 825.218) does not return from leave when notified by the employing office that substantial or grievous economic injury will result from his or her reinstatement, the employee's entitlement to group health plan benefits continues unless and until the employee advises the employing office that the employee does not desire restoration to employment at the end of the leave period, or FMLA leave entitlement is exhausted, or reinstatement is actually denied.

(h) An employee's entitlement to benefits other than group health benefits during a period of FMLA leave (*e.g.*, holiday pay) is to be determined by the employing office's established policy for providing such benefits when the employee is on other forms of leave (paid or unpaid, as appropriate).

§ 825.210 How may employees on FMLA leave pay their share of group health benefit premiums?

(a) Group health plan benefits must be maintained on the same basis as coverage would have been provided if the employee had been continuously employed during the FMLA leave period. Therefore, any share of group health plan premiums which had been paid by the employee prior to FMLA leave must continue to be paid by the employee during the FMLA leave period. If premiums are raised or lowered, the employee would be required to pay the new premium rates. Maintenance of health insurance policies which are not a part of the employing office's group health plan, as described in § 825.209(a), are the sole responsibility of the employee. The employee and the insurer should make necessary arrangements for payment of premiums during periods of unpaid FMLA leave.

(b) If the FMLA leave is substituted paid leave, the employee's share of premiums must be paid by the method normally used during any paid leave, presumably as a payroll deduction.

(c) If FMLA leave is unpaid, the employing office has a number of options for obtaining payment from the employee. The employing office may require that payment be made to the employing office or to the insurance carrier, but no additional charge may be added to the employee's premium payment for administrative expenses. The employing office may require employees to pay their share of premium payments in any of the following ways:

(1) Payment would be due at the same time as it would be made if by payroll deduction;

(2) Payment would be due on the same schedule as payments are made under COBRA or 5 U.S.C. 8905a, whichever is applicable;

(3) Payment would be prepaid pursuant to a cafeteria plan at the employee's option;

(4) The employing office's existing rules for payment by employees on ''leave without pay'' would be followed, provided that such rules do not require prepayment (*i.e.*, prior to the commencement of the leave) of the premiums that will become due during a period of unpaid FMLA leave or payment of higher premiums than if the employee had continued to work instead of taking leave; or,

(5) Another system voluntarily agreed to between the employing office and the employee, which may include prepayment of premiums (*e.g.*, through increased payroll deductions when the need for the FMLA leave is foreseeable).

(d) The employing office must provide the employee with advance written notice of the terms and conditions under which these payments must be made. (*See* § 825.301.)

(e) An employing office may not require more of an employee using FMLA leave than the employing office requires of other employees on ''leave without pay.''

(f) An employee who is receiving payments as a result of a workers' compensation injury must make arrangements with the employing office for payment of group health plan benefits when simultaneously taking unpaid FMLA leave. *See* paragraph (c) of this section and § 825.207(d)(2).

§ 825.211 What special health benefits maintenance rules apply to multi-employer health plans?

(a) A multi-employer health plan is a plan to which more than one employer is required to contribute, and which is maintained pursuant to one or more collective bargaining agreements between employee organization(s) and the employers.

(b) An employing office under a multi-employer plan must continue to make contributions on behalf of an employee using FMLA leave as though the employee had been continuously employed, unless the plan contains an explicit FMLA provision for maintaining coverage such as through pooled contributions by all employers party to the plan.

(c) During the duration of an employee's FMLA leave, coverage by the group health plan, and benefits provided pursuant to the plan, must be maintained at the level of coverage and benefits which were applicable to the employee at the time FMLA leave commenced.

(d) An employee using FMLA leave cannot be required to use ''banked'' hours or pay a greater premium than the employee would have been required to pay if the employee had been continuously employed.

(e) As provided in § 825.209(f), group health plan coverage must be maintained for an employee on FMLA leave until:

(1) the employee's FMLA leave entitlement is exhausted;

(2) the employing office can show that the employee would have been laid off and the employment relationship terminated; or,

(3) the employee provides unequivocal notice of intent not to return to work.

§ 825.212 What are the consequences of an employee's failure to make timely health plan premium payments?

(a)(1) In the absence of an established employing office policy providing a longer grace period, an employing office's obligations to maintain health insurance coverage cease under FMLA if an employee's premium payment is more than 30 days late. In order to drop the coverage for an employee whose premium payment is late, the employing office must provide written notice to the employee that the payment has not been received. Such notice must be mailed to the employee at least 15 days before coverage is to cease, advising that coverage will be dropped on a specified date at least 15 days after the date of the letter unless the payment has been received by that date. If the employing office has established policies regarding other forms of unpaid leave that provide for the employing office to cease coverage retroactively to the date the unpaid premium payment was due, the employing office may drop the employee from coverage retroactively in accordance with that policy, provided the 15-day notice was given. In the absence of such a policy, coverage for the employee may be terminated at the end of the 30-day grace period, where the required 15-day notice has been provided.

(2) An employing office has no obligation regarding the maintenance of a health insurance policy which is not a ''group health plan.'' See § 825.209(a).

(3) All other obligations of an employing office under FMLA would continue; for example, the employing office continues to have an obligation to reinstate an employee upon return from leave.

(b) The employing office may recover the employee's share of any premium payments missed by the employee for any FMLA leave period during which the employing office maintains health coverage by paying the employee's share after the premium payment is missed.

(c) If coverage lapses because an employee has not made required premium payments, upon the employee's return from FMLA leave the employing office must still restore the employee to coverage/benefits equivalent to those the employee would have had if leave had not been taken and the premium payment(s) had not been missed, including family or dependent coverage. See § 825.215(d)(1)-(5). In such case, an employee may not be required to meet any qualification requirements imposed by the plan, including any new preexisting condition waiting period, to wait for an open season, or to

pass a medical examination to obtain reinstatement of coverage.

§ 825.213 May an employing office recover costs it incurred for maintaining ''group health plan'' or other non-health benefits coverage during FMLA leave?

(a) In addition to the circumstances discussed in § 825.212(b), the share of health plan premiums paid by or on behalf of the employing office during a period of unpaid FMLA leave may be recovered from an employee if the employee fails to return to work after the employee's FMLA leave entitlement has been exhausted or expires, unless the reason the employee does not return is due to:

(1) The continuation, recurrence, or onset of a serious health condition of the employee or the employee's family member which would otherwise entitle the employee to leave under FMLA; or

(2) Other circumstances beyond the employee's control. Examples of ''other circumstances beyond the employee's control'' are necessarily broad. They include such situations as where a parent chooses to stay home with a newborn child who has a serious health condition; an employee's spouse is unexpectedly transferred to a job location more than 75 miles from the employee's worksite; a relative or individual other than an immediate family member has a serious health condition and the employee is needed to provide care; the employee is laid off while on leave; or, the employee is a ''key employee'' who decides not to return to work upon being notified of the employing office's intention to deny restoration because of substantial and grievous economic injury to the employing office's operations and is not reinstated by the employing office. Other circumstances beyond the employee's control would not include a situation where an employee desires to remain with a parent in a distant city even though the parent no longer requires the employee's care, or a parent chooses not to return to work to stay home with a well, newborn child.

(3) When an employee fails to return to work because of the continuation, recurrence, or onset of a serious health condition, thereby precluding the employing office from recovering its (share of) health benefit premium payments made on the employee's behalf during a period of unpaid FMLA leave, the employing office may require medical certification of the employee's or the family member's serious health condition. Such certification is not required unless requested by the employing office. The employee is required to provide medical certification in a timely manner which, for purposes of this section, is within 30 days from the date of the employing office's request. For purposes of medical certification, the employee may use the optional form developed for this purpose (see § 825.306(a) and Appendix B of this part). If the employing office requests medical certification and the employee does not provide such certification in a timely manner (within 30 days), or the reason for not returning to work does not meet the test of other circumstances beyond the employee's control, the employing office may recover 100% of the health benefit premiums it paid during the period of unpaid FMLA leave.

(b) Under some circumstances an employing office may elect to maintain other benefits, *e.g.*, life insurance, disability insurance, *etc.*, by paying the employee's (share of) premiums during periods of unpaid FMLA leave. For example, to ensure the employing office can meet its responsibilities to provide equivalent benefits to the employee upon return from unpaid FMLA leave, it may be necessary that premiums be paid continuously to avoid a lapse of coverage. If the employing office elects to maintain such benefits during the leave, at the conclusion of leave, the employing office is entitled to recover only the costs incurred for paying the employee's share of any premiums whether or not the employee returns to work.

(c) An employee who returns to work for at least 30 calendar days is considered to have ''returned'' to work. An employee who transfers directly from taking FMLA leave to retirement, or who retires during the first 30 days after the employee returns to work, is deemed to have returned to work.

(d) When an employee elects or an employing office requires paid leave to be substituted for FMLA leave, the employing office may not recover its (share of) health insurance or other non-health benefit premiums for any period of FMLA leave covered by paid leave. Because paid leave provided under a plan covering temporary disabilities (including workers' compensation) is not unpaid, recovery of health insurance premiums does not apply to such paid leave.

(e) The amount that self-insured employing offices may recover is limited to only the employing office's share of allowable ''premiums'' as would be calculated under COBRA, excluding the 2 percent fee for administrative costs.

(f) When an employee fails to return to work, any health and non-health benefit premiums which this section of the regulations permits an employing office to recover are a debt owed by the non-returning employee to the employing office. The existence of this debt caused by the employee's failure to return to work does not alter the employing office's responsibilities for health benefit coverage and, under a self-insurance plan, payment of claims incurred during the period of FMLA leave. To the extent recovery is allowed, the employing office may recover the costs through deduction from any sums due to the employee (*e.g.*, unpaid wages, vacation pay, *etc.*), provided such deductions do not otherwise violate applicable wage payment or other laws. Alternatively, the employing office may initiate legal action against the employee to recover such costs.

§ 825.214 What are an employee's rights on returning to work from FMLA leave?

(a) On return from FMLA leave, an employee is entitled to be returned to the same position the employee held when leave commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. An employee is entitled to such reinstatement even if the employee has been replaced or his or her position has been restructured to accommodate the employee's absence. *See* also § 825.106(e) for the obligations of employing offices that are joint employing offices.

(b) If the employee is unable to perform an essential function of the position because of a physical or mental condition, including the continuation of a serious health condition, the employee has no right to restoration to another position under the FMLA. However, the employing office's obligations may be governed by the Americans with Disabilities Act (ADA), as made applicable by the CAA. *See* § 825.702.

§ 825.215 What is an equivalent position?

(a) An equivalent position is one that is virtually identical to the employee's former position in terms of pay, benefits and working conditions, including privileges, perquisites and status. It must involve the same or substantially similar duties and responsibilities, which must entail substantially equivalent skill, effort, responsibility, and authority.

(b) If an employee is no longer qualified for the position because of the employee's inability to attend a necessary course, renew a license, fly a minimum number of hours, *etc.*, as a result of the leave, the employee shall be given a reasonable opportunity to fulfill those conditions upon return to work.

(c) *Equivalent Pay.* (1) An employee is entitled to any unconditional pay increases which may have occurred during the FMLA leave period, such as cost of living increases. Pay increases conditioned upon seniority, length of service, or work performed would not have to be granted unless it is the employing office's policy or practice to do so with respect to other employees on ''leave without pay.'' In such case, any pay increase would be granted based on the employee's seniority, length of service, work performed, *etc.*, excluding the period of unpaid FMLA leave. An employee is entitled to be restored to a position with the same or equivalent pay premiums, such as a shift differential. If an employee departed from a position averaging ten hours of overtime (and corresponding overtime pay) each week, an employee is ordinarily entitled to such a position on return from FMLA leave.

(2) Many employing offices pay bonuses in different forms to employees for job-related performance such as for perfect attendance, safety (absence of injuries or accidents on the job) and exceeding production goals. Bonuses for perfect attendance and safety do not require performance by the employee but rather contemplate the absence of occurrences. To the extent an employee who takes FMLA leave had met all the requirements for either or both of these bonuses before FMLA leave began, the employee is entitled to continue this entitlement upon return from FMLA leave, that is, the employee may not be disqualified for the bonus(es) for the taking of FMLA leave. *See* § 825.220 (b) and (c). A monthly production bonus, on the other hand, does require performance by the employee. If the employee is on FMLA leave during any part of the period for which the bonus is computed, the employee is entitled to the same consideration for the bonus as other employees on paid or unpaid leave (as appropriate). *See* paragraph (d)(2) of this section.

(d) *Equivalent Benefits.* ''Benefits'' include all benefits provided or made available to employees by an employing office, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a practice or written policy of an employing office through an employee benefit plan.

(1) At the end of an employee's FMLA leave, benefits must be resumed in the same manner and at the same levels as provided when the leave began, and subject to any changes in benefit levels that may have taken place during the period of FMLA leave affecting the entire workforce, unless otherwise elected by the employee. Upon return from FMLA leave, an employee cannot be required to requalify for any benefits the employee enjoyed before FMLA leave began (including family or dependent coverages). For example, if an employee was covered by a life insurance policy before taking leave but is not covered or coverage lapses during the period of unpaid FMLA leave, the employee cannot be required to meet any qualifications, such as taking a physical examination, in order to requalify for life insurance upon return from leave. Accordingly, some employing offices may find it necessary to modify life insurance and other benefits programs in order to restore employees to equivalent benefits upon return from FMLA leave, make arrangements for continued payment of costs to maintain such benefits during unpaid FMLA leave, or pay these costs subject to recovery from the employee on return from leave. *See* § 825.213(b).

(2) An employee may, but is not entitled to, accrue any additional benefits or seniority during unpaid FMLA leave. Benefits accrued at the time leave began, however, (*e.g.*, paid vacation, sick or personal leave to the extent not substituted for FMLA leave) must be available to an employee upon return from leave.

(3) If, while on unpaid FMLA leave, an employee desires to continue life insurance, disability insurance, or other types of benefits for which he or she typically pays, the employing office is required to follow established policies or practices for continuing such benefits for other instances of leave without pay. If the employing office has no established policy, the employee and the employing office are encouraged to agree upon arrangements before FMLA leave begins.

(4) With respect to pension and other retirement plans, any period of unpaid FMLA leave shall not be treated as or counted toward a break in service for purposes of vesting and eligibility to participate. Also, if the plan requires an employee to be employed on a specific date in order to be credited with a year of service for vesting, contributions or participation purposes, an employee on unpaid FMLA leave on that date shall be deemed to have been employed on that date. However, unpaid FMLA leave periods need not be treated as credited service for purposes of benefit accrual, vesting and eligibility to participate.

(5) Employees on unpaid FMLA leave are to be treated as if they continued to work for purposes of changes to benefit plans. They are entitled to changes in benefits plans, except those which may be dependent upon seniority or accrual during the leave period, immediately upon return from leave or to the same extent they would have qualified if no leave had been taken. For example if the benefit plan is predicated on a pre-established number of hours worked each year and the employee does not have sufficient hours as a result of taking unpaid FMLA leave, the benefit is lost. (In this regard, § 825.209 addresses health benefits.)

(e) *Equivalent Terms and Conditions of Employment.* An equivalent position must have substantially similar duties, conditions, responsibilities, privileges and status as the employee's original position.

(1) The employee must be reinstated to the same or a geographically proximate worksite (*i.e.*, one that does not involve a significant increase in commuting time or distance) from where the employee had previously been employed. If the employee's original worksite has been closed, the employee is entitled to the same rights as if the employee had not been on leave when the worksite closed. For example, if an employing office transfers all employees from a closed worksite to a new worksite in a different city, the employee on leave is also entitled to transfer under the same conditions as if he or she had continued to be employed.

(2) The employee is ordinarily entitled to return to the same shift or the same or an equivalent work schedule.

(3) The employee must have the same or an equivalent opportunity for bonuses and other similar discretionary and non-discretionary payments.

(4) FMLA does not prohibit an employing office from accommodating an employee's request to be restored to a different shift, schedule, or position which better suits the employee's personal needs on return from leave, or to offer a promotion to a better position. However, an employee cannot be induced by the employing office to accept a different position against the employee's wishes.

(f) The requirement that an employee be restored to the same or equivalent job with the same or equivalent pay, benefits, and terms and conditions of employment does not extend to *de minimis* or intangible, unmeasurable aspects of the job. However, restoration to a job slated for lay-off, when the employee's original position is not, would not meet the requirements of an equivalent position.

§ 825.216 Are there any limitations on an employing office's obligation to reinstate an employee?

(a) An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the FMLA leave period. An employing office must be able to show that an employee would not otherwise have been employed at the time reinstatement is requested in order to deny restoration to employment. For example:

(1) If an employee is laid off during the course of taking FMLA leave and employment is terminated, the employing office's responsibility to continue FMLA leave, maintain group health plan benefits and restore the employee ceases at the time the employee is laid off, provided the employing office has no continuing obligations under a collective bargaining agreement or otherwise. An employing office would have the burden of proving that an employee would have been laid off during the FMLA leave period and, therefore, would not be entitled to restoration.

(2) If a shift has been eliminated, or overtime has been decreased, an employee would not be entitled to return to work that shift or the original overtime hours upon restoration. However, if a position on, for example, a night shift has been filled by another employee, the employee is entitled to return to the same shift on which employed before taking FMLA leave.

(b) If an employee was hired for a specific term or only to perform work on a discrete project, the employing office has no obligation to restore the employee if the employment term or project is over and the employing office would not otherwise have continued to employ the employee.

(c) In addition to the circumstances explained above, an employing office may deny job restoration to salaried eligible employees (''key employees,'' as defined in paragraph (c) of § 825.217) if such denial is necessary to prevent substantial and grievous economic injury to the operations of the employing office; or may delay restoration to an employee who fails to provide a fitness for duty certificate to return to work under the conditions described in § 825.310.

(d) If the employee has been on a workers' compensation absence during which FMLA leave has been taken concurrently, and after 12 weeks of FMLA leave the employee is unable to return to work, the employee no longer has the protections of FMLA and must look to the workers' compensation statute or ADA, as made applicable by the CAA, for any relief or protections.

§ 825.217 What is a ''key employee''?

(a) A ''key employee'' is a salaried FMLA-eligible employee who is among the highest paid 10 percent of all the employees employed by the employing office within 75 miles of the employee's worksite.

(b) The term ''salaried'' means paid on a salary basis, within the meaning of the Board's regulations at part 541, implementing section 203 of the CAA (2 U.S.C. 1313) (regarding employees who may qualify as exempt from the minimum wage and overtime requirements of the FLSA, as made applicable by the CAA, as executive, administrative, and professional employees).

(c) A ''key employee'' must be ''among the highest paid 10 percent'' of all the employees ''both salaried and non-salaried, eligible and ineligible ''who are employed by the employing office within 75 miles of the worksite.

(1) In determining which employees are among the highest paid 10 percent, year-to-date earnings are divided by weeks worked by the employee (including weeks in which paid leave was taken). Earnings include wages, premium pay, incentive pay, and non-discretionary and discretionary bonuses. Earnings do not include incentives whose value is determined at some future date, *e.g.*, benefits or perquisites.

(2) The determination of whether a salaried employee is among the highest paid 10 percent shall be made at the time the employee gives notice of the need for leave. No more than 10 percent of the employing office's employees within 75 miles of the worksite may be ''key employees.''

§ 825.218 What does ''substantial and grievous economic injury'' mean?

(a) In order to deny restoration to a key employee, an employing office must determine that the restoration of the employee to employment will cause ''substantial and grievous economic injury'' to the operations of the employing office, not whether the absence of the employee will cause such substantial and grievous injury.

(b) An employing office may take into account its ability to replace on a temporary basis (or temporarily do without) the employee on FMLA leave. If permanent replacement is unavoidable, the cost of then reinstating the employee can be considered in evaluating whether substantial and grievous economic injury will occur from restoration; in other words, the effect on the operations of the employing office of reinstating the employee in an equivalent position.

(c) A precise test cannot be set for the level of hardship or injury to the employing office which must be sustained. If the reinstatement of a ''key employee'' threatens the economic viability of the employing office, that would constitute ''substantial and grievous economic injury.'' A lesser injury which causes substantial, long-term economic injury would also be sufficient. Minor inconveniences and costs that the employing office would experience in the normal course would certainly not constitute ''substantial and grievous economic injury.''

(d) FMLA's ''substantial and grievous economic injury'' standard is different from and more stringent than the ''undue hardship'' test under the ADA (see, also § 825.702).

§ 825.219 What are the rights of a key employee?

(a) An employing office which believes that reinstatement may be denied to a key employee, must give written notice to the employee at the time the employee gives notice of the need for FMLA leave (or when FMLA leave commences, if earlier) that he or she qualifies as a key employee. At the same time, the employing office must also fully inform the employee of the potential consequences with respect to reinstatement and maintenance of health benefits if the employing office should determine that substantial and grievous economic injury to the employing office's operations will result if the employee is reinstated from FMLA leave. If such notice cannot be given immediately because of the need to determine whether the employee is a key employee, it shall be given as soon as practicable after being notified of a need for leave (or the commencement of leave, if earlier). It is expected that in most circumstances there will be no desire that an employee be denied restoration after FMLA leave and, therefore, there would be no need to provide such notice. However, an employing office who fails to provide such timely notice will lose its right to deny restoration even if substantial

and grievous economic injury will result from reinstatement.

(b) As soon as an employing office makes a good faith determination, based on the facts available, that substantial and grievous economic injury to its operations will result if a key employee who has given notice of the need for FMLA leave or is using FMLA leave is reinstated, the employing office shall notify the employee in writing of its determination, that it cannot deny FMLA leave, and that it intends to deny restoration to employment on completion of the FMLA leave. It is anticipated that an employing office will ordinarily be able to give such notice prior to the employee starting leave. The employing office must serve this notice either in person or by certified mail. This notice must explain the basis for the employing office's finding that substantial and grievous economic injury will result, and, if leave has commenced, must provide the employee a reasonable time in which to return to work, taking into account the circumstances, such as the length of the leave and the urgency of the need for the employee to return.

(c) If an employee on leave does not return to work in response to the employing office's notification of intent to deny restoration, the employee continues to be entitled to maintenance of health benefits and the employing office may not recover its cost of health benefit premiums. A key employee's rights under FMLA continue unless and until either the employee gives notice that he or she no longer wishes to return to work, or the employing office actually denies reinstatement at the conclusion of the leave period.

(d) After notice to an employee has been given that substantial and grievous economic injury will result if the employee is reinstated to employment, an employee is still entitled to request reinstatement at the end of the leave period even if the employee did not return to work in response to the employing office's notice. The employing office must then again determine whether there will be substantial and grievous economic injury from reinstatement, based on the facts at that time. If it is determined that substantial and grievous economic injury will result, the employing office shall notify the employee in writing (in person or by certified mail) of the denial of restoration.

§ 825.220 How are employees protected who request leave or otherwise assert FMLA rights?

(a) The FMLA, as made applicable by the CAA, prohibits interference with an employee's rights under the law, and with legal proceedings or inquiries relating to an employee's rights. More specifically, the law contains the following employee protections:

(1) An employing office is prohibited from interfering with, restraining, or denying the exercise of (or attempts to exercise) any rights provided by the FMLA as made applicable by the CAA.

(2) An employing office is prohibited from discharging or in any other way discriminating against any covered employee (whether or not an eligible employee) for opposing or complaining about any unlawful practice under the FMLA as made applicable by the CAA.

(3) All employing offices are prohibited from discharging or in any other way discriminating against any covered employee (whether or not an eligible employee) because that covered employee has—

(i) Filed any charge, or has instituted (or caused to be instituted) any proceeding under or related to the FMLA, as made applicable by the CAA;

(ii) Given, or is about to give, any information in connection with an inquiry or proceeding relating to a right under the FMLA, as made applicable by the CAA;

(iii) Testified, or is about to testify, in any inquiry or proceeding relating to a right under the FMLA, as made applicable by the CAA.

(b) Any violations of the FMLA, as made applicable by the CAA, or of these regulations constitute interfering with, restraining, or denying the exercise of rights provided by the FMLA as made applicable by the CAA. ''Interfering with'' the exercise of an employee's rights would include, for example, not only refusing to authorize FMLA leave, but discouraging an employee from using such leave. It would also include manipulation by covered an employing office to avoid responsibilities under FMLA, for example:

(1) [Reserved];

(2) changing the essential functions of the job in order to preclude the taking of leave;

(3) reducing hours available to work in order to avoid employee eligibility.

(c) An employing office is prohibited from discriminating against employees or prospective employees who have used FMLA leave. For example, if an employee on leave without pay would otherwise be entitled to full benefits (other than health benefits), the same benefits would be required to be provided to an employee on unpaid FMLA leave. By the same token, employing offices cannot use the taking of FMLA leave as a negative factor in employment actions, such as hiring, promotions or disciplinary actions; nor can FMLA leave be counted under ''no fault'' attendance policies.

(d) Employees cannot waive, nor may employing offices induce employees to waive, their rights under FMLA. For example, employees (or their collective bargaining representatives) cannot ''trade off'' the right to take FMLA leave against some other benefit offered by the employing office. This does not prevent an employee's voluntary and uncoerced acceptance (not as a condition of employment) of a ''light duty'' assignment while recovering from a serious health condition (see § 825.702(d)). In such a circumstance the employee's right to restoration to the same or an equivalent position is available until 12 weeks have passed within the 12-month period, including all FMLA leave taken and the period of ''light duty.''

(e) Covered employees, and not merely eligible employees, are protected from retaliation for opposing (e.g., file a complaint about) any practice which is unlawful under the FMLA, as made applicable by the CAA. They are similarly protected if they oppose any practice which they reasonably believe to be a violation of the FMLA, as made applicable by the CAA or regulations.

Subpart C—How do Employees Learn of Their Rights and Obligations under the FMLA, as Made Applicable by the CAA, and What Can an Employing Office Require of an Employee?

§ 825.300 [Reserved]

§ 825.301 What notices to employees are required of employing offices under the FMLA as made applicable by the CAA?

(a)(1) If an employing office has any eligible employees and has any written guidance to employees concerning employee benefits or leave rights, such as in an employee handbook, information concerning both entitlements and employee obligations under the FMLA, as made applicable by the CAA, must be included in the handbook or other document. For example, if an employing office provides an employee handbook to all employees that describes the employing office's policies regarding leave, wages, attendance, and similar matters, the handbook must incorporate information on FMLA rights and responsibilities and the employing office's policies regarding the FMLA, as made applicable by the CAA. Informational publications describing the provisions of the FMLA as made applicable by the CAA are available from the Office of Compliance and may be incorporated in such employing office handbooks or written policies.

(2) If such an employing office does not have written policies, manuals, or handbooks describing employee benefits and leave provisions, the employing office shall provide written guidance to an employee concerning all the employee's rights and obligations under the FMLA as made applicable by the CAA. This notice shall be provided to employees each time notice is given pursuant to paragraph (b), and in accordance with the provisions of that paragraph. Employing offices may duplicate and provide the employee a copy of the FMLA Fact Sheet available from the Office of Compliance to provide such guidance.

(b)(1) The employing office shall also provide the employee with written notice detailing the specific expectations and obligations of the employee and explaining any consequences of a failure to meet these obligations. The written notice must be provided to the employee in a language in which the employee is literate. Such specific notice must include, as appropriate:

(i) that the leave will be counted against the employee's annual FMLA leave entitlement (see § 825.208);

(ii) any requirements for the employee to furnish medical certification of a serious health condition and the consequences of failing to do so (see § 825.305);

(iii) the employee's right to substitute paid leave and whether the employing office will require the substitution of paid leave, and the conditions related to any substitution;

(iv) any requirement for the employee to make any premium payments to maintain health benefits and the arrangements for making such payments (see § 825.210), and the possible consequences of failure to make such payments on a timely basis (i.e., the circumstances under which coverage may lapse);

(v) any requirement for the employee to present a fitness-for-duty certificate to be restored to employment (see § 825.310);

(vi) the employee's status as a ''key employee'' and the potential consequence that restoration may be denied following FMLA leave, explaining the conditions required for such denial (see § 825.218);

(vii) the employee's right to restoration to the same or an equivalent job upon return from leave (see §§ 825.214 and 825.604); and,

(viii) the employee's potential liability for payment of health insurance premiums paid by the employing office during the employee's unpaid FMLA leave if the employee fails to return to work after taking FMLA leave (see § 825.213).

(2) The specific notice may include other information—*e.g.*, whether the employing office will require periodic reports of the employee's status and intent to return to work, but is not required to do so. A prototype notice is contained in Appendix D of this part, or may be obtained from the Office of Compliance, which employing offices may adapt for their use to meet these specific notice requirements.

(c) Except as provided in this subparagraph, the written notice required by paragraph (b) (and by subparagraph (a)(2) where applicable) must be provided to the employee no less often than the first time in each six-month period that an employee gives notice of the need for FMLA leave (if FMLA leave is taken during the six-month period). The notice shall be given within a reasonable time after notice of the need for leave is

given by the employee—within one or two business days if feasible. If leave has already begun, the notice should be mailed to the employee's address of record.

(1) If the specific information provided by the notice changes with respect to a subsequent period of FMLA leave during the six-month period, the employing office shall, within one or two business days of receipt of the employee's notice of need for leave, provide written notice referencing the prior notice and setting forth any of the information in subparagraph (b) which has changed. For example, if the initial leave period were paid leave and the subsequent leave period would be unpaid leave, the employing office may need to give notice of the arrangements for making premium payments.

(2)(i) Except as provided in subparagraph (ii), if the employing office is requiring medical certification or a ''fitness-for-duty'' report, written notice of the requirement shall be given with respect to each employee notice of a need for leave.

(ii) Subsequent written notification shall *not* be required if the initial notice in the six-month period *and* the employing office handbook or other written documents (if any) describing the employing office's leave policies, clearly provided that certification or a ''fitness-for-duty'' report would be required (*e.g.*, by stating that certification would be required in all cases, by stating that certification would be required in all cases in which leave of more than a specified number of days is taken, or by stating that a ''fitness-for-duty'' report would be required in all cases for back injuries for employees in a certain occupation). Where subsequent written notice is not required, at least oral notice shall be provided. (*See* § 825.305(a).)

(d) Employing offices are also expected to responsively answer questions from employees concerning their rights and responsibilities under the FMLA as made applicable under the CAA.

(e) Employing offices furnishing FMLA-required notices to sensory impaired individuals must also comply with all applicable requirements under law.

(f) If an employing office fails to provide notice in accordance with the provisions of this section, the employing office may not take action against an employee for failure to comply with any provision required to be set forth in the notice.

§ 825.302 What notice does an employee have to give an employing office when the need for FMLA leave is foreseeable?

(a) An employee must provide the employing office at least 30 days advance notice before FMLA leave is to begin if the need for the leave is foreseeable based on an expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or of a family member. If 30 days notice is not practicable, such as because of a lack of knowledge of approximately when leave will be required to begin, a change in circumstances, or a medical emergency, notice must be given as soon as practicable. For example, an employee's health condition may require leave to commence earlier than anticipated before the birth of a child. Similarly, little opportunity for notice may be given before placement for adoption. Whether the leave is to be continuous or is to be taken intermittently or on a reduced schedule basis, notice need only be given one time, but the employee shall advise the employing office as soon as practicable if dates of scheduled leave change or are extended, or were initially unknown.

(b) ''As soon as practicable'' means as soon as both possible and practical, taking into account all of the facts and circumstances in the individual case. For foreseeable leave where it is not possible to give as much as 30 days notice, ''as soon as practicable'' ordinarily would mean at least verbal notification to the employing office within one or two business days of when the need for leave becomes known to the employee.

(c) An employee shall provide at least verbal notice sufficient to make the employing office aware that the employee needs FMLA-qualifying leave, and the anticipated timing and duration of the leave. The employee need not expressly assert rights under the FMLA as made applicable by the CAA, or even mention the FMLA, but may only state that leave is needed for an expected birth or adoption, for example. The employing office should inquire further of the employee if it is necessary to have more information about whether FMLA leave is being sought by the employee, and obtain the necessary details of the leave to be taken. In the case of medical conditions, the employing office may find it necessary to inquire further to determine if the leave is because of a serious health condition and may request medical certification to support the need for such leave (see § 825.305).

(d) An employing office may also require an employee to comply with the employing office's usual and customary notice and procedural requirements for requesting leave. For example, an employing office may require that written notice set forth the reasons for the requested leave, the anticipated duration of the leave, and the anticipated start of the leave. However, failure to follow such internal employing office procedures will not permit an employing office to disallow or delay an employee's taking FMLA leave if the employee gives timely verbal or other notice.

(e) When planning medical treatment, the employee must consult with the employing office and make a reasonable effort to schedule the leave so as not to disrupt unduly the employing office's operations, subject to the approval of the health care provider. Employees are ordinarily expected to consult with their employing offices prior to the scheduling of treatment in order to work out a treatment schedule which best suits the needs of both the employing office and the employee. If an employee who provides notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglects to consult with the employing office to make a reasonable attempt to arrange the schedule of treatments so as not to unduly disrupt the employing office's operations, the employing office may initiate discussions with the employee and require the employee to attempt to make such arrangements, subject to the approval of the health care provider.

(f) In the case of intermittent leave or leave on a reduced leave schedule which is medically necessary, an employee shall advise the employing office, upon request, of the reasons why the intermittent/reduced leave schedule is necessary and of the schedule for treatment, if applicable. The employee and employing office shall attempt to work out a schedule which meets the employee's needs without unduly disrupting the employing office's operations, subject to the approval of the health care provider.

(g) An employing office may waive employees' FMLA notice requirements. In addition, an employing office may not require compliance with stricter FMLA notice requirements where the provisions of a collective bargaining agreement or applicable leave plan allow less advance notice to the employing office. For example, if an employee (or employing office) elects to substitute paid vacation leave for unpaid FMLA leave (see § 825.207), and the employing office's paid vacation leave plan imposes no prior notification requirements for taking such vacation leave, no advance notice may be required for the FMLA leave taken in these circumstances. On the other hand, FMLA notice requirements would apply to a period of unpaid FMLA leave, unless the employing office imposes lesser notice requirements on employees taking leave without pay.

§ 825.303 What are the requirements for an employee to furnish notice to an employing office where the need for FMLA leave is not foreseeable?

(a) When the approximate timing of the need for leave is not foreseeable, an employee should give notice to the employing office of the need for FMLA leave as soon as practicable under the facts and circumstances of the particular case. It is expected that an employee will give notice to the employing office within no more than one or two working days of learning of the need for leave, except in extraordinary circumstances where such notice is not feasible. In the case of a medical emergency requiring leave because of an employee's own serious health condition or to care for a family member with a serious health condition, written advance notice pursuant to an employing office's internal rules and procedures may not be required when FMLA leave is involved.

(b) The employee should provide notice to the employing office either in person or by telephone, telegraph, facsimile (''fax'') machine or other electronic means. Notice may be given by the employee's spokesperson (e.g., spouse, adult family member or other responsible party) if the employee is unable to do so personally. The employee need not expressly assert rights under the FMLA, as made applicable by the CAA, or even mention the FMLA, but may only state that leave is needed. The employing office will be expected to obtain any additional required information through informal means. The employee or spokesperson will be expected to provide more information when it can readily be accomplished as a practical matter, taking into consideration the exigencies of the situation.

§ 825.304 What recourse do employing offices have if employees fail to provide the required notice?

(a) An employing office may waive employees' FMLA notice obligations or the employing office's own internal rules on leave notice requirements.

(b) If an employee fails to give 30 days notice for foreseeable leave with no reasonable excuse for the delay, the employing office may delay the taking of FMLA leave until at least 30 days after the date the employee provides notice to the employing office of the need for FMLA leave.

(c) In all cases, in order for the onset of an employee's FMLA leave to be delayed due to lack of required notice, it must be clear that the employee had actual notice of the FMLA notice requirements. This condition would be satisfied by the employing office's proper posting, at the worksite where the employee is employed, of the information regarding the FMLA provided (pursuant to section 301(h)(2) of the CAA, 2 U.S.C. 1381(h)(2)) by the Office of Compliance to the employing office in a manner suitable for posting. Furthermore, the need for leave and the approximate date leave would be taken must have been clearly foreseeable to the employee 30 days in advance of the leave. For example, knowledge that an employee would receive a telephone call about the availability of a child for adoption at some unknown point in the future would not be sufficient.

§ 825.305 When must an employee provide medical certification to support FMLA leave?

(a) An employing office may require that an employee's leave to care for the employee's seriously ill spouse, son, daughter, or parent, or due to the employee's own serious health condition that makes the employee unable to perform one or more of the essential functions of the employee's position, be supported by a certification issued by the health care provider of the employee or the employee's ill family member. An employing office must give notice of a requirement for medical certification each time a certification is required; such notice must be written notice whenever required by § 825.301. An employing office's oral request to an employee to furnish any subsequent medical certification is sufficient.

(b) When the leave is foreseeable and at least 30 days notice has been provided, the employee should provide the medical certification before the leave begins. When this is not possible, the employee must provide the requested certification to the employing office within the time frame requested by the employing office (which must allow at least 15 calendar days after the employing office's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent, good faith efforts.

(c) In most cases, the employing office should request that an employee furnish certification from a health care provider at the time the employee gives notice of the need for leave or within two business days thereafter, or, in the case of unforeseen leave, within two business days after the leave commences. The employing office may request certification at some later date if the employing office later has reason to question the appropriateness of the leave or its duration.

(d) At the time the employing office requests certification, the employing office must also advise an employee of the anticipated consequences of an employee's failure to provide adequate certification. The employing office shall advise an employee whenever the employing office finds a certification incomplete, and provide the employee a reasonable opportunity to cure any such deficiency.

(e) If the employing office's sick or medical leave plan imposes medical certification requirements that are less stringent than the certification requirements of these regulations, and the employee or employing office elects to substitute paid sick, vacation, personal or family leave for unpaid FMLA leave where authorized (see § 825.207), only the employing office's less stringent sick leave certification requirements may be imposed.

§ 825.306 How much information may be required in medical certifications of a serious health condition?

(a) The Office of Compliance has made available an optional form (''Certification of Physician or Practitioner'') for employees' (or their family members') use in obtaining medical certification, including second and third opinions, from health care providers that meets FMLA's certification requirements. (See Appendix B to these regulations.) This optional form reflects certification requirements so as to permit the health care provider to furnish appropriate medical information within his or her knowledge.

(b) The Certification of Physician or Practitioner form is modeled closely on Form WH–380, as revised, which was developed by the Department of Labor (see 29 C.F.R. Part 825, Appendix B). The employing office may use the Office of Compliance's form, or Form WH–380, as revised, or another form containing the same basic information; however, no additional information may be required. In all instances the information on the form must relate only to the serious health condition for which the current need for leave exists. The form identifies the health care provider and type of medical practice (including pertinent specialization, if any), makes maximum use of checklist entries for ease in completing the form, and contains required entries for:

(1) A certification as to which part of the definition of ''serious health condition'' (see § 825.114), if any, applies to the patient's condition, and the medical facts which support the certification, including a brief statement as to how the medical facts meet the criteria of the definition.

(2)(i) The approximate date the serious health condition commenced, and its probable duration, including the probable duration of the patient's present incapacity (defined to mean inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment therefor, or recovery therefrom) if different.

(ii) Whether it will be necessary for the employee to take leave intermittently or to work on a reduced leave schedule basis (i.e., part-time) as a result of the serious health condition (see § 825.117 and § 825.203), and if so, the probable duration of such schedule.

(iii) If the condition is pregnancy or a chronic condition within the meaning of § 825.114(a)(2)(iii), whether the patient is presently incapacitated and the likely duration and frequency of episodes of incapacity.

(3)(i)(A) If additional treatments will be required for the condition, an estimate of the probable number of such treatments.

(B) If the patient's incapacity will be intermittent, or will require a reduced leave schedule, an estimate of the probable number and interval between such treatments, actual or estimated dates of treatment if known, and period required for recovery if any.

(ii) If any of the treatments referred to in subparagraph (i) will be provided by another provider of health services (e.g., physical therapist), the nature of the treatments.

(iii) If a regimen of continuing treatment by the patient is required under the supervision of the health care provider, a general description of the regimen (see § 825.114(b)).

(4) If medical leave is required for the employee's absence from work because of the employee's own condition (including absences due to pregnancy or a chronic condition), whether the employee:

(i) is unable to perform work of any kind;

(ii) is unable to perform any one or more of the essential functions of the employee's position, including a statement of the essential functions the employee is unable to perform (see § 825.115), based on either information provided on a statement from the employing office of the essential functions of the position or, if not provided, discussion with the employee about the employee's job functions; or

(iii) must be absent from work for treatment.

(5)(i) If leave is required to care for a family member of the employee with a serious health condition, whether the patient requires assistance for basic medical or personal needs or safety, or for transportation; or if not, whether the employee's presence to provide psychological comfort would be beneficial to the patient or assist in the patient's recovery. The employee is required to indicate on the form the care he or she will provide and an estimate of the time period.

(ii) If the employee's family member will need care only intermittently or on a reduced leave schedule basis (*i.e.*, part-time), the probable duration of the need.

(c) If the employing office's sick or medical leave plan requires less information to be furnished in medical certifications than the certification requirements of these regulations, and the employee or employing office elects to substitute paid sick, vacation, personal or family leave for unpaid FMLA leave where authorized (*see* § 825.207), only the employing office's lesser sick leave certification requirements may be imposed.

§ 825.307 What may an employing office do if it questions the adequacy of a medical certification?

(a) If an employee submits a complete certification signed by the health care provider, the employing office may not request additional information from the employee's health care provider. However, a health care provider representing the employing office may contact the employee's health care provider, with the employee's permission, for purposes of *clarification* and authenticity of the medical certification.

(1) If an employee is on FMLA leave running concurrently with a workers' compensation absence, and the provisions of the workers' compensation statute permit the employing office or the employing office's representative to have direct contact with the employee's workers' compensation health care provider, the employing office may follow the workers' compensation provisions.

(2) An employing office that has reason to doubt the validity of a medical certification may require the employee to obtain a second opinion at the employing office's expense. Pending receipt of the second (or third) medical opinion, the employee is provisionally entitled to the benefits of the FMLA as made applicable by the CAA, including maintenance of group health benefits. If the certifications do not ultimately establish the employee's entitlement to FMLA leave, the leave shall not be designated as FMLA leave and may be treated as paid or unpaid leave under the employing office's established leave policies. The employing office is permitted to designate the health care provider to furnish the second opinion, but the selected health care provider may not be employed on a regular basis by the employing office. See also paragraphs (e) and (f) of this section.

(b) The employing office may not regularly contract with or otherwise regularly utilize the services of the health care provider furnishing the second opinion unless the employing office is located in an area where access to health care is extremely limited (e.g., a rural area where no more than one or two doctors practice in the relevant specialty in the vicinity).

(c) If the opinions of the employee's and the employing office's designated health care providers differ, the employing office may require the employee to obtain certification from a third health care provider, again at the employing office's expense. This third opinion shall be final and binding. The third health care provider must be designated or approved jointly by the employing office and the employee. The employing office and the employee must each act in good faith to attempt to reach agreement on whom to select for the third opinion provider. If the employing office does not attempt in good faith to reach agreement, the employing office will be bound by the first certification. If the employee does not attempt in good faith to reach agreement, the employee will be bound by the second certification. For example, an employee who refuses to agree to see a doctor in the specialty in question may be failing to act in good faith. On the other hand, an employing office that refuses to agree to any doctor on a list of specialists in the appropriate field provided by the employee and

whom the employee has not previously consulted may be failing to act in good faith.

(d) The employing office is required to provide the employee with a copy of the second and third medical opinions, where applicable, upon request by the employee. Requested copies are to be provided within two business days unless extenuating circumstances prevent such action.

(e) If the employing office requires the employee to obtain either a second or third opinion the employing office must reimburse an employee or family member for any reasonable ''out of pocket'' travel expenses incurred to obtain the second and third medical opinions. The employing office may not require the employee or family member to travel outside normal commuting distance for purposes of obtaining the second or third medical opinions except in very unusual circumstances.

(f) In circumstances when the employee or a family member is visiting in another country, or a family member resides in a another country, and a serious health condition develops, the employing office shall accept a medical certification as well as second and third opinions from a health care provider who practices in that country.

§ 825.308 Under what circumstances may an employing office request subsequent recertifications of medical conditions?

(a) For pregnancy, chronic, or permanent/long-term conditions under continuing supervision of a health care provider (as defined in § 825.114(a) (2)(ii), (iii) or (iv)), an employing office may request recertification no more often than every 30 days and only in connection with an absence by the employee, unless:

(1) Circumstances described by the previous certification have changed significantly (e.g., the duration or frequency of absences, the severity of the condition, complications); or

(2) The employing office receives information that casts doubt upon the employee's stated reason for the absence.

(b)(1) If the minimum duration of the period of incapacity specified on a certification furnished by the health care provider is more than 30 days, the employing office may not request recertification until that minimum duration has passed unless one of the conditions set forth in paragraph (c)(1), (2) or (3) of this section is met.

(2) For FMLA leave taken intermittently or on a reduced leave schedule basis, the employing office may not request recertification in less than the minimum period specified on the certification as necessary for such leave (including treatment) unless one of the conditions set forth in paragraph (c)(1), (2) or (3) of this section is met.

(c) For circumstances not covered by paragraphs (a) or (b) of this section, an employing office may request recertification at any reasonable interval, but not more often than every 30 days, unless:

(1) The employee requests an extension of leave;

(2) Circumstances described by the previous certification have changed significantly (e.g., the duration of the illness, the nature of the illness, complications); or

(3) The employing office receives information that casts doubt upon the continuing validity of the certification.

(d) The employee must provide the requested recertification to the employing office within the time frame requested by the employing office (which must allow at least 15 calendar days after the employing office's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent, good faith efforts.

(e) Any recertification requested by the employing office shall be at the employee's expense unless the employing office provides otherwise. No second or third opinion on recertification may be required.

§ 825.309 What notice may an employing office require regarding an employee's intent to return to work?

(a) An employing office may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work. The employing office's policy regarding such reports may not be discriminatory and must take into account all of the relevant facts and circumstances related to the individual employee's leave situation.

(b) If an employee gives unequivocal notice of intent not to return to work, the employing office's obligations under FMLA, as made applicable by the CAA, to maintain health benefits (subject to requirements of COBRA or 5 U.S.C. 8905a, whichever is applicable) and to restore the employee cease. However, these obligations continue if an employee indicates he or she may be unable to return to work but expresses a continuing desire to do so.

(c) It may be necessary for an employee to take more leave than originally anticipated. Conversely, an employee may discover after beginning leave that the circumstances have changed and the amount of leave originally anticipated is no longer necessary. An employee may not be required to take more FMLA leave than necessary to resolve the circumstance that precipitated the need for leave. In both of these situations, the employing office may require that the employee provide the employing office reasonable notice (i.e., within two business days) of the changed circumstances where foreseeable. The employing office may also obtain information on such changed circumstances through requested status reports.

§ 825.310 Under what circumstances may an employing office require that an employee submit a medical certification that the employee is able (or unable) to return to work (i.e., a ''fitness-for-duty'' report)?

(a) As a condition of restoring an employee whose FMLA leave was occasioned by the employee's own serious health condition that made the employee unable to perform the employee's job, an employing office may have a uniformly-applied policy or practice that requires all similarly-situated employees (i.e., same occupation, same serious health condition) who take leave for such conditions to obtain and present certification from the employee's health care provider that the employee is able to resume work.

(b) If the terms of a collective bargaining agreement govern an employee's return to work, those provisions shall be applied. Similarly, requirements under the Americans with Disabilities Act (ADA), as made applicable by the CAA, that any return-to-work physical be job-related and consistent with business necessity apply. For example, an attorney could not be required to submit to a medical examination or inquiry just because her leg had been amputated. The essential functions of an attorney's job do not require use of both legs; therefore such an inquiry would not be job related. An employing office may require a warehouse laborer, whose back impairment affects the ability to lift, to be examined by an orthopedist, but may not require this employee to submit to an HIV test where the test is not related to either the essential functions of his/her job or to his/her impairment.

(c) An employing office may seek fitness-for-duty certification only with regard to the particular health condition that caused the employee's need for FMLA leave. The certification itself need only be a simple statement of an employee's ability to return to work. A health care provider employed by the employing office may contact the employee's health care provider with the employee's permission, for purposes of clarification of the employee's fitness to return to work. No additional information may be acquired, and clarification may be requested only for the serious health condition for which FMLA leave was taken. The employing office may not delay the employee's return to work while contact with the health care provider is being made.

(d) The cost of the certification shall be borne by the employee and the employee is not entitled to be paid for the time or travel costs spent in acquiring the certification.

(e) The notice that employing offices are required to give to each employee giving notice of the need for FMLA leave regarding their FMLA rights and obligations as made applicable by the CAA (see § 825.301) shall advise the employee if the employing office will require fitness-for-duty certification to return to work. If the employing office has a handbook explaining employment policies and benefits, the handbook should explain the employing office's general policy regarding any requirement for fitness-for-duty certification to return to work. Specific notice shall also be given to any employee from whom fitness-for-duty certification will be required either at the time notice of the need for leave is given or immediately after leave commences and the employing office is advised of the medical circumstances requiring the leave, unless the employee's condition changes from one that did not previously require certification pursuant to the employing office's practice or policy. No second or third fitness-for-duty certification may be required.

(f) An employing office may delay restoration to employment until an employee submits a required fitness-for-duty certification unless the employing office has failed to provide the notices required in paragraph (e) of this section.

(g) An employing office is not entitled to certification of fitness to return to duty when the employee takes intermittent leave as described in § 825.203.

(h) When an employee is unable to return to work after FMLA leave because of the continuation, recurrence, or onset of the employee's or family member's serious health condition, thereby preventing the employing office from recovering its share of health benefit premium payments made on the employee's behalf during a period of unpaid FMLA leave, the employing office may require medical certification of the employee's or the family member's serious health condition. (*See* § 825.213(a)(3).) The cost of the certification shall be borne by the employee and the employee is not entitled to be paid for the time or travel costs spent in acquiring the certification.

§ 825.311 What happens if an employee fails to satisfy the medical certification and/or recertification requirements?

(a) In the case of foreseeable leave, an employing office may delay the taking of FMLA leave to an employee who fails to provide timely certification after being requested by the employing office to furnish such certification (i.e., within 15 calendar days, if practicable), until the required certification is provided.

(b) When the need for leave is not foreseeable, or in the case of recertification, an employee must provide certification (or recertification) within the time frame requested by the employing office (which must

allow at least 15 days after the employing office's request) or as soon as reasonably possible under the particular facts and circumstances. In the case of a medical emergency, it may not be practicable for an employee to provide the required certification within 15 calendar days. If an employee fails to provide a medical certification within a reasonable time under the pertinent circumstances, the employing office may delay the employee's continuation of FMLA leave. If the employee never produces the certification, the leave is not FMLA leave.

(c) When requested by the employing office pursuant to a uniformly applied policy for similarly-situated employees, the employee must provide medical certification at the time the employee seeks reinstatement at the end of FMLA leave taken for the employee's serious health condition, that the employee is fit for duty and able to return to work (see §825.310(a)) if the employing office has provided the required notice (see §825.301(c); the employing office may delay restoration until the certification is provided. In this situation, unless the employee provides either a fitness-for-duty certification or a new medical certification for a serious health condition at the time FMLA leave is concluded, the employee may be terminated. See also §825.213(a)(3).

§825.312 Under what circumstances may an employing office refuse to provide FMLA leave or reinstatement to eligible employees?

(a) If an employee fails to give timely advance notice when the need for FMLA leave is foreseeable, the employing office may delay the taking of FMLA leave until 30 days after the date the employee provides notice to the employing office of the need for FMLA leave. (*See* §825.302.)

(b) If an employee fails to provide in a timely manner a requested medical certification to substantiate the need for FMLA leave due to a serious health condition, an employing office may delay continuation of FMLA leave until an employee submits the certificate. (*See* §§ 825.305 and 825.311.) If the employee never produces the certification, the leave is not FMLA leave.

(c) If an employee fails to provide a requested fitness-for-duty certification to return to work, an employing office may delay restoration until the employee submits the certificate. (*See* §§ 825.310 and 825.311.)

(d) An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the FMLA leave period. Thus, an employee's rights to continued leave, maintenance of health benefits, and restoration cease under FMLA, as made applicable by the CAA, if and when the employment relationship terminates (*e.g.*, layoff), unless that relationship continues, for example, by the employee remaining on *paid* FMLA leave. If the employee is recalled or otherwise re-employed, an eligible employee is immediately entitled to further FMLA leave for an FMLA-qualifying reason. An employing office must be able to show, when an employee requests restoration, that the employee would not otherwise have been employed if leave had not been taken in order to deny restoration to employment. (See §825.216.)

(e) An employing office may require an employee on FMLA leave to report periodically on the employee's status and intention to return to work. (See §825.309.) If an employee unequivocally advises the employing office either before or during the taking of leave that the employee does not intend to return to work, and the employment relationship is terminated, the employee's entitlement to continued leave, maintenance of health benefits, and restoration ceases unless the employment relationship continues, for example, by the employee remaining on *paid* leave. An employee may not be required to take more leave than necessary to address the circumstances for which leave was taken. If the employee is able to return to work earlier than anticipated, the employee shall provide the employing office two business days notice where feasible; the employing office is required to restore the employee once such notice is given, or where such prior notice was not feasible.

(f) An employing office may deny restoration to employment, but not the taking of FMLA leave and the maintenance of health benefits, to an eligible employee only under the terms of the ''key employee'' exemption. Denial of reinstatement must be necessary to prevent ''substantial and grievous economic injury'' to the employing office's operations. The employing office must notify the employee of the employee's status as a ''key employee'' and of the employing office's intent to deny reinstatement on that basis when the employing office makes these determinations. If leave has started, the employee must be given a reasonable opportunity to return to work after being so notified. (See §825.219.)

(g) An employee who fraudulently obtains FMLA leave from an employing office is not protected by job restoration or maintenance of health benefits provisions of the FMLA as made applicable by the CAA.

(h) If the employing office has a uniformly-applied policy governing outside or supplemental employment, such a policy may continue to apply to an employee while on FMLA leave. An employing office which does not have such a policy may not deny benefits to which an employee is entitled under FMLA as made applicable by the CAA on this basis unless the FMLA leave was fraudulently obtained as in paragraph (g) of this section.

Subpart D—What Enforcement Mechanisms Does the CAA Provide?

§825.400 What can employees do who believe that their rights under the FMLA as made applicable by the CAA have been violated?

(a) To commence a proceeding, a covered employee alleging a violation of the rights and protections of the FMLA made applicable by the CAA must request counseling by the Office of Compliance not later than 180 days after the date of the alleged violation. If a covered employee misses this deadline, the covered employee will be unable to obtain a remedy under the CAA.

(b) The following procedures are available under title IV of the CAA for covered employees who believe that their rights under FMLA as made applicable by the CAA have been violated:

(1) counseling;

(2) mediation; and

(3) election of either—

(A) a formal complaint, filed with the Office of Compliance, and a hearing before a hearing officer, subject to review by the Board of Directors of the Office of Compliance, and judicial review in the United States Court of Appeals for the Federal Circuit; or

(B) a civil action in a district court of the United States.

(c) Regulations of the Office of Compliance describing and governing these procedures are found at [proposed rules can be found at 141 Cong. Rec. S17012 (November 14, 1995)].

§825.401 [Reserved]
§825.402 [Reserved]
§825.403 [Reserved]
§825.404 [Reserved]

Subpart E—[Reserved]

Subpart F—What Special Rules Apply to Employees of Schools?

§825.600 To whom do the special rules apply?

(a) Certain special rules apply to employees of ''local educational agencies,'' including public school boards and elementary schools under their jurisdiction, and private elementary and secondary schools. The special rules do not apply to other kinds of educational institutions, such as colleges and universities, trade schools, and preschools.

(b) Educational institutions are covered by FMLA as made applicable by the CAA (and these special rules). The usual requirements for employees to be ''eligible'' apply.

(c) The special rules affect the taking of intermittent leave or leave on a reduced leave schedule, or leave near the end of an academic term (semester), by instructional employees. ''Instructional employees'' are those whose principal function is to teach and instruct students in a class, a small group, or an individual setting. This term includes not only teachers, but also athletic coaches, driving instructors, and special education assistants such as signers for the hearing impaired. It does not include, and the special rules do not apply to, teacher assistants or aides who do not have as their principal job actual teaching or instructing, nor does it include auxiliary personnel such as counselors, psychologists, or curriculum specialists. It also does not include cafeteria workers, maintenance workers, or bus drivers.

(d) Special rules which apply to restoration to an equivalent position apply to all employees of local educational agencies.

§825.601 What limitations apply to the taking of intermittent leave or leave on a reduced leave schedule?

(a) Leave taken for a period that ends with the school year and begins the next semester is leave taken consecutively rather than intermittently. The period during the summer vacation when the employee would not have been required to report for duty is not counted against the employee's FMLA leave entitlement. An instructional employee who is on FMLA leave at the end of the school year must be provided with any benefits over the summer vacation that employees would normally receive if they had been working at the end of the school year.

(1) If an eligible instructional employee needs intermittent leave or leave on a reduced leave schedule to care for a family member, or for the employee's own serious health condition, which is foreseeable based on planned medical treatment, and the employee would be on leave for more than 20 percent of the total number of working days over the period the leave would extend, the employing office may require the employee to choose either to:

(i) Take leave for a period or periods of a particular duration, not greater than the duration of the planned treatment; or

(ii) Transfer temporarily to an available alternative position for which the employee is qualified, which has equivalent pay and benefits and which better accommodates recurring periods of leave than does the employee's regular position.

(2) These rules apply only to a leave involving more than 20 percent of the working days during the period over which the leave extends. For example, if an instructional employee who normally works five days each week needs to take two days of FMLA leave per week over a period of several weeks, the

special rules would apply. Employees taking leave which constitutes 20 percent or less of the working days during the leave period would not be subject to transfer to an alternative position. ''Periods of a particular duration'' means a block, or blocks, of time beginning no earlier than the first day for which leave is needed and ending no later than the last day on which leave is needed, and may include one uninterrupted period of leave.

(b) If an instructional employee does not give required notice of foreseeable FMLA leave (see §825.302) to be taken intermittently or on a reduced leave schedule, the employing office may require the employee to take leave of a particular duration, or to transfer temporarily to an alternative position. Alternatively, the employing office may require the employee to delay the taking of leave until the notice provision is met. *See* §825.207(h).

§825.602 What limitations apply to the taking of leave near the end of an academic term?

(a) There are also different rules for instructional employees who begin leave more than five weeks before the end of a term, less than five weeks before the end of a term, and less than three weeks before the end of a term. Regular rules apply except in circumstances when:

(1) An instructional employee begins leave more than five weeks before the end of a term. The employing office may require the employee to continue taking leave until the end of the term if—

(i) The leave will last at least three weeks, and

(ii) The employee would return to work during the three-week period before the end of the term.

(2) The employee begins leave for a purpose other than the employee's own serious health condition *during* the five-week period before the end of a term. The employing office may require the employee to continue taking leave until the end of the term if —

(i) The leave will last more than two weeks, and

(ii) The employee would return to work during the two-week period before the end of the term.

(3) The employee begins leave for a purpose other than the employee's own serious health condition during the three-week period before the end of a term, and the leave will last more than five working days. The employing office may require the employee to continue taking leave until the end of the term.

(b) For purposes of these provisions, ''academic term'' means the school semester, which typically ends near the end of the calendar year and the end of spring each school year. In no case may a school have more than two academic terms or semesters each year for purposes of FMLA as made applicable by the CAA. An example of leave falling within these provisions would be where an employee plans two weeks of leave to care for a family member which will begin three weeks before the end of the term. In that situation, the employing office could require the employee to stay out on leave until the end of the term.

§825.603 Is all leave taken during ''periods of a particular duration'' counted against the FMLA leave entitlement?

(a) If an employee chooses to take leave for ''periods of a particular duration'' in the case of intermittent or reduced schedule leave, the entire period of leave taken will count as FMLA leave.

(b) In the case of an employee who is required to take leave until the end of an academic term, only the period of leave until the employee is ready and able to return to work shall be charged against the employee's FMLA leave entitlement. The employing office has the option not to require the employee to stay on leave until the end of the school term. Therefore, any additional leave required by the employing office to the end of the school term is not counted as FMLA leave; however, the employing office shall be required to maintain the employee's group health insurance and restore the employee to the same or equivalent job including other benefits at the conclusion of the leave.

§825.604 What special rules apply to restoration to ''an equivalent position?''

The determination of how an employee is to be restored to ''an equivalent position'' upon return from FMLA leave will be made on the basis of ''established school board policies and practices, private school policies and practices, and collective bargaining agreements.'' The ''established policies'' and collective bargaining agreements used as a basis for restoration must be in writing, must be made known to the employee prior to the taking of FMLA leave, and must clearly explain the employee's restoration rights upon return from leave. Any established policy which is used as the basis for restoration of an employee to ''an equivalent position'' must provide substantially the same protections as provided in the FMLA, as made applicable by the CAA, for reinstated employees. See §825.215. In other words, the policy or collective bargaining agreement must provide for restoration to an ''equivalent position'' with equivalent employment benefits, pay, and other terms and conditions of employment. For example, an employee may not be restored to a position requiring additional licensure or certification.

Subpart G—How Do Other Laws, Employing Office Practices, and Collective Bargaining Agreements Affect Employee Rights Under the FMLA as Made Applicable by the CAA?

§825.700 What if an employing office provides more generous benefits than required by FMLA as made applicable by the CAA?

(a) An employing office must observe any employment benefit program or plan that provides greater family or medical leave rights to employees than the rights established by the FMLA. Conversely, the rights established by the FMLA, as made applicable by the CAA, may not be diminished by any employment benefit program or plan. For example, a provision of a collective bargaining agreement (CBA) which provides for reinstatement to a position that is not equivalent because of seniority (e.g., provides lesser pay) is superseded by FMLA. If an employing office provides greater unpaid family leave rights than are afforded by FMLA, the employing office is not required to extend additional rights afforded by FMLA, such as maintenance of health benefits (other than through COBRA or 5 U.S.C. 8905a, whichever is applicable), to the additional leave period not covered by FMLA. If an employee takes paid or unpaid leave and the employing office does not designate the leave as FMLA leave, the leave taken does not count against an employee's FMLA entitlement.

(b) Nothing in the FMLA, as made applicable by the CAA, prevents an employing office from amending existing leave and employee benefit programs, provided they comply with FMLA as made applicable by the CAA. However, nothing in the FMLA, as made applicable by the CAA, is intended to discourage employing offices from adopting or retaining more generous leave policies.

(c) [Reserved]

§825.701 [Reserved]

§825.702 How does FMLA affect anti-discrimination laws as applied by section 201 of the CAA?

(a) Nothing in FMLA modifies or affects any applicable law prohibiting discrimination on the basis of race, religion, color, national origin, sex, age, or disability (e.g., Title VII of the Civil Rights Act of 1964, as amended by the Pregnancy Discrimination Act), as made applicable by the CAA. FMLA's legislative history explains that FMLA is ''not intended to modify or affect the Rehabilitation Act of 1973, as amended, the regulations concerning employment which have been promulgated pursuant to that statute, or the Americans with Disabilities Act of 1990, or the regulations issued under that act. Thus, the leave provisions of the [FMLA] are wholly distinct from the reasonable accommodation obligations of employers covered under the [ADA] * * * or the Federal government itself. The purpose of the FMLA is to make leave available to eligible employees and employing offices within its coverage, and not to limit already existing rights and protection.'' S. Rep. No. 3, 103d Cong., 1st Sess. 38 (1993). An employing office must therefore provide leave under whichever statutory provision provides the greater rights to employees.

(b) If an employee is a qualified individual with a disability within the meaning of the Americans with Disabilities Act (ADA), the employing office must make reasonable accommodations, etc., barring undue hardship, in accordance with the ADA. At the same time, the employing office must afford an employee his or her FMLA rights. ADA's ''disability'' and FMLA's ''serious health condition'' are different concepts, and must be analyzed separately. FMLA entitles eligible employees to 12 weeks of leave in any 12-month period, whereas the ADA allows an indeterminate amount of leave, barring undue hardship, as a reasonable accommodation. FMLA requires employing offices to maintain employees' group health plan coverage during FMLA leave on the same conditions as coverage would have been provided if the employee had been continuously employed during the leave period, whereas ADA does not require maintenance of health insurance unless other employees receive health insurance during leave under the same circumstances.

(c)(1) A reasonable accommodation under the ADA might be accomplished by providing an individual with a disability with a part-time job with no health benefits, assuming the employing office did not ordinarily provide health insurance for part-time employees. However, FMLA would permit an employee to work a reduced leave schedule until the equivalent of 12 workweeks of leave were used, with group health benefits maintained during this period. FMLA permits an employing office to temporarily transfer an employee who is taking leave intermittently or on a reduced leave schedule to an alternative position, whereas the ADA allows an accommodation of reassignment to an equivalent, vacant position only if the employee cannot perform the essential functions of the employee's present position and an accommodation is not possible in the employee's present position, or an accommodation in the employee's present position would cause an undue hardship. The examples in the following paragraphs of this section demonstrate how the two laws would interact with respect to a qualified individual with a disability.

(2) A qualified individual with a disability who is also an ''eligible employee'' entitled to FMLA leave requests 10 weeks of medical leave as a reasonable accommodation, which

the employing office grants because it is not an undue hardship. The employing office advises the employee that the 10 weeks of leave is also being designated as FMLA leave and will count towards the employee's FMLA leave entitlement. This designation does not prevent the parties from also treating the leave as a reasonable accommodation and reinstating the employee into the *same* job, as required by the ADA, rather than an equivalent position under FMLA, if that is the greater right available to the employee. At the same time, the employee would be entitled under FMLA to have the employing office maintain group health plan coverage during the leave, as that requirement provides the greater right to the employee.

(3) If the same employee needed to work part-time (a reduced leave schedule) after returning to his or her same job, the employee would still be entitled under FMLA to have group health plan coverage maintained for the remainder of the two-week equivalent of FMLA leave entitlement, notwithstanding an employing office policy that part-time employees do not receive health insurance. This employee would be entitled under the ADA to reasonable accommodations to enable the employee to perform the essential functions of the part-time position. In addition, because the employee is working a part-time schedule as a reasonable accommodation, the employee would be shielded from FMLA's provision for temporary assignment to a different alternative position. Once the employee has exhausted his or her remaining FMLA leave entitlement while working the reduced (part-time) schedule, if the employee is a qualified individual with a disability, and if the employee is unable to return to the same full-time position at that time, the employee might continue to work part-time as a reasonable accommodation, barring undue hardship; the employee would then be entitled to only those employment benefits ordinarily provided by the employing office to part-time employees.

(4) At the end of the FMLA leave entitlement, an employing office is required under FMLA to reinstate the employee in the same or an equivalent position, with equivalent pay and benefits, to that which the employee held when leave commenced. The employing office's FMLA obligations would be satisfied if the employing office offered the employee an equivalent full-time position. If the employee were unable to perform the essential functions of that equivalent position even with reasonable accommodation, because of a disability, the ADA may require the employing office to make a reasonable accommodation at that time by allowing the employee to work part-time or by reassigning the employee to a vacant position, barring undue hardship.

(d)(1) If FMLA entitles an employee to leave, an employing office may not, in lieu of FMLA leave entitlement, *require* an employee to take a job with a reasonable accommodation. However, ADA may require that an employing office offer an employee the opportunity to take such a position. An employing office may not change the essential functions of the job in order to deny FMLA leave. See § 825.220(b).

(2) An employee may be on a workers' compensation absence due to an on-the-job injury or illness which also qualifies as a serious health condition under FMLA. The workers' compensation absence and FMLA leave may run concurrently (subject to proper notice and designation by the employing office). At some point the health care provider providing medical care pursuant to the workers' compensation injury may certify the employee is able to return to work in a "light duty" position. If the employing office offers such a position, the employee is permitted but not required to accept the position (*see* § 825.220(d)). As a result, the employee may no longer qualify for payments from the workers' compensation benefit plan, but the employee is entitled to continue on unpaid FMLA leave either until the employee is able to return to the same or equivalent job the employee left or until the 12-week FMLA leave entitlement is exhausted. See § 825.207(d)(2). If the employee returning from the workers' compensation injury is a qualified individual with a disability, he or she will have rights under the ADA.

(e) If an employing office requires certifications of an employee's fitness for duty to return to work, as permitted by FMLA under a uniform policy, it must comply with the ADA requirement that a fitness for duty physical be job-related and consistent with business necessity.

(f) Under Title VII of the Civil Rights Act of 1964, as amended by the Pregnancy Discrimination Act, and as made applicable by the CAA, an employing office should provide the same benefits for women who are pregnant as the employing office provides to other employees with short-term disabilities. Because Title VII does not require employees to be employed for a certain period of time to be protected, an employee employed for less than 12 months by any employing office (and, therefore, not an "eligible" employee under FMLA, as made applicable by the CAA) may *not* be denied maternity leave if the employing office normally provides short-term disability benefits to employees with the same tenure who are experiencing other short-term disabilities.

(g) For further information on Federal anti-discrimination laws applied by section 201 of the CAA (2 U.S.C. 1311), including Title VII, the Rehabilitation Act, and the ADA, individuals are encouraged to contact the Office of Compliance.

Subpart H—Definitions

§ 825.800 Definitions.

For purposes of this part:

ADA means the Americans With Disabilities Act (42 U.S.C. 12101 *et seq.*).

CAA means the Congressional Accountability Act of 1995 (Pub. Law 104-1, 109 Stat. 3, 2 U.S.C. 1301 et seq.).

COBRA means the continuation coverage requirements of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1986 (Pub. Law 99-272, title X, section 10002; 100 Stat. 227; as amended; 29 U.S.C. 1161-1168).

Continuing treatment means: A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:

(1) A period of *incapacity* (*i.e.*, inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment therefor, or recovery therefrom) of more than three consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:

(i) Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (*e.g.*, physical therapist) under orders of, or on referral by, a health care provider; or

(ii) Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider.

(2) Any period of incapacity due to pregnancy, or for prenatal care.

(3) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:

(i) Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;

(ii) Continues over an extended period of time (including recurring episodes of a single underlying condition); and

(iii) May cause episodic rather than a continuing period of incapacity (*e.g.*, asthma, diabetes, epilepsy, *etc.*).

(4) A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.

(5) Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, *etc.*), severe arthritis (physical therapy), kidney disease (dialysis).

Covered employee—The term "covered employee", as defined in the CAA, means any employee of—(1) the House of Representatives; (2) the Senate; (3) the Capitol Guide Service; (4) the Capitol Police; (5) the Congressional Budget Office; (6) the Office of the Architect of the Capitol; (7) the Office of the Attending Physician; (8) the Office of Compliance; or (9) the Office of Technology Assessment.

Eligible employee—The term "eligible employee", as defined in the CAA, means a covered employee who has been employed in any employing office for 12 months and for at least 1,250 hours of employment during the previous 12 months.

Employ means to suffer or permit to work.

Employee means an employee as defined in the CAA and includes an applicant for employment and a former employee.

Employee employed in an instructional capacity. See Teacher.

Employee of the Capitol Police—The term "employee of the Capitol Police" includes any member or officer of the Capitol Police.

Employee of the House of Representatives—The term "employee of the House of Representatives" includes an individual occupying a position the pay for which is disbursed by the Clerk of the House of Representatives, or another official designated by the House of Representatives, or any employment position in an entity that is paid with funds derived from the clerk-hire allowance of the House of Representatives but not any such individual employed by any entity listed in subparagraphs (3) through (9) under "covered employee" above.

Employee of the Office of the Architect of the Capitol—The term "employee of the Office of the Architect of the Capitol" includes any employee of the Office of the Architect of the Capitol, the Botanic Garden, or the Senate Restaurants.

Employee of the Senate—The term "employee of the Senate" includes any employee whose pay is disbursed by the Secretary of the Senate, but not any such individual employed by any entity listed in subparagraphs (3) through (9) under "covered employee" above.

Employing Office—The term "employing office", as defined in the CAA, means:

(1) the personal office of a Member of the House of Representatives or of a Senator;

(2) a committee of the House of Representatives or the Senate or a joint committee;

(3) any other office headed by a person with the final authority to appoint, hire, discharge, and set the terms, conditions, or privileges of the employment of an employee of the House of Representatives or the Senate; or

(4) the Capitol Guide Board, the Capitol Police Board, the Congressional Budget Office, the Office of the Architect of the Capitol, the Office of the Attending Physician, the Office of Compliance, and the Office of Technology Assessment.

Employment benefits means all benefits provided or made available to employees by an employing office, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a practice or written policy of an employing office or through an employee benefit plan. The term does not include non-employment related obligations paid by employees through voluntary deductions such as supplemental insurance coverage. (See §825.209(a)).

FLSA means the Fair Labor Standards Act (29 U.S.C. 201 et seq.).

FMLA means the Family and Medical Leave Act of 1993, Public Law 103-3 (February 5, 1993), 107 Stat. 6 (29 U.S.C. 2601 et seq.).

Group health plan means the Federal Employees Health Benefits Program and any other plan of, or contributed to by, an employing office (including a self-insured plan) to provide health care (directly or otherwise) to the employing office's employees, former employees, or the families of such employees or former employees. For purposes of FMLA, as made applicable by the CAA, the term ''group health plan'' shall not include an insurance program providing health coverage under which employees purchase individual policies from insurers provided that:

(1) no contributions are made by the employing office;

(2) participation in the program is completely voluntary for employees;

(3) the sole functions of the employing office with respect to the program are, without endorsing the program, to permit the insurer to publicize the program to employees, to collect premiums through payroll deductions and to remit them to the insurer;

(4) the employing office receives no consideration in the form of cash or otherwise in connection with the program, other than reasonable compensation, excluding any profit, for administrative services actually rendered in connection with payroll deduction; and,

(5) the premium charged with respect to such coverage does not increase in the event the employment relationship terminates.

Health care provider means:

(1) A doctor of medicine or osteopathy who is authorized to practice medicine or surgery by the State in which the doctor practices; or

(2) Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice in the State and performing within the scope of their practice as defined under State law; and

(3) Nurse practitioners, nurse-midwives and clinical social workers who are authorized to practice under State law and who are performing within the scope of their practice as defined under State law; and

(4) Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts.

(5) Any health care provider from whom an employing office or a group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits.

(6) A health care provider as defined above who practices in a country other than the United States, who is licensed to practice in accordance with the laws and regulations of that country.

''*Incapable of self-care*'' means that the individual requires active assistance or supervision to provide daily self-care in several of the ''activities of daily living'' (ADLs) or ''instrumental activities of daily living'' (IADLs). Activities of daily living include adaptive activities such as caring appropriately for one's grooming and hygiene, bathing, dressing and eating. Instrumental activities of daily living include cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, using telephones and directories, using a post office, etc.

Instructional employee: See *Teacher*.

Intermittent leave means leave taken in separate periods of time due to a single illness or injury, rather than for one continuous period of time, and may include leave of periods from an hour or more to several weeks. Examples of intermittent leave would include leave taken on an occasional basis for medical appointments, or leave taken several days at a time spread over a period of six months, such as for chemotherapy.

Mental disability: See *Physical or mental disability*.

Office of Compliance means the independent office established in the legislative branch under section 301 of the CAA (2 U.S.C. 1381).

Parent means the biological parent of an employee or an individual who stands or stood in loco parentis to an employee when the employee was a child.

Physical or mental disability means a physical or mental impairment that substantially limits one or more of the major life activities of an individual. See the Americans with Disabilities Act (ADA), as made applicable by section 201(a)(3) of the CAA (2 U.S.C. 1311(a)(3)).

Reduced leave schedule means a leave schedule that reduces the usual number of hours per workweek, or hours per workday, of an employee.

Secretary means the Secretary of Labor or authorized representative.

Serious health condition entitling an employee to FMLA leave means:

(1) an illness, injury, impairment, or physical or mental condition that involves:

(i) *Inpatient care* (*i.e.*, an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of *incapacity* (for purposes of this section, defined to mean inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment therefor, or recovery therefrom), or any subsequent treatment in connection with such inpatient care; or

(ii) *Continuing treatment* by a health care provider. A serious health condition involving continuing treatment by a health care provider includes:

(A) A period of *incapacity* (*i.e.*, inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment therefor, or recovery therefrom) of more than three consecutive calendar days, including any subsequent treatment or period of incapacity relating to the same condition, that also involves:

(*1*) Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (*e.g.*, physical therapist) under orders of, or on referral by, a health care provider; or

(*2*) Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider.

(B) Any period of incapacity due to pregnancy, or for prenatal care.

(C) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:

(*1*) Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;

(*2*) Continues over an extended period of time (including recurring episodes of a single underlying condition); and

(*3*) May cause episodic rather than a continuing period of incapacity (*e.g.*, asthma, diabetes, epilepsy, etc.).

(D) A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.

(E) Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), kidney disease (dialysis).

(2) Treatment for purposes of paragraph (1) of this definition includes (but is not limited to) examinations to determine if a serious health condition exists and evaluations of the condition. Treatment does not include routine physical examinations, eye examinations, or dental examinations. Under paragraph (1)(ii)(A)(*2*) of this definition, a regimen of continuing treatment includes, for example, a course of prescription medication (*e.g.*, an antibiotic) or therapy requiring special equipment to resolve or alleviate the health condition (*e.g.*, oxygen). A regimen of continuing treatment that includes the taking of over-the-counter medications such as aspirin, antihistamines, or salves; or bedrest, drinking fluids, exercise, and other similar activities that can be initiated without a visit to a health care provider, is not, by itself, sufficient to constitute a regimen of continuing treatment for purposes of FMLA leave.

(3) Conditions for which cosmetic treatments are administered (such as most treatments for acne or plastic surgery) are not ''serious health conditions'' unless inpatient hospital care is required or unless complications develop. Ordinarily, unless complications arise, the common cold, the flu, ear aches, upset stomach, minor ulcers, headaches other than migraine, routine dental or orthodontia problems, periodontal disease, etc., are examples of conditions that do not meet the definition of a serious health condition and do not qualify for FMLA leave. Restorative dental or plastic surgery after an injury or removal of cancerous growths are serious health conditions provided all the other conditions of this regulation are met. Mental illness resulting from stress or allergies may be serious health conditions, but only if all the conditions of this section are met.

(4) Substance abuse may be a serious health condition if the conditions of this section are met. However, FMLA leave may

only be taken for treatment for substance abuse by a health care provider or by a provider of health care services on referral by a health care provider. On the other hand, absence because of the employee's use of the substance, rather than for treatment, does not qualify for FMLA leave.

(5) Absences attributable to incapacity under paragraphs (1)(ii)(B) or (C) of this definition qualify for FMLA leave even though the employee or the immediate family member does not receive treatment from a health care provider during the absence, and even if the absence does not last more than three days. For example, an employee with asthma may be unable to report for work due to the onset of an asthma attack or because the employee's health care provider has advised the employee to stay home when the pollen count exceeds a certain level. An employee who is pregnant may be unable to report to work because of severe morning sickness.

Son or daughter means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis,* who is under 18 years of age or 18 years of age or older and incapable of self-care because of a mental or physical disability.

Spouse means a husband or wife as defined or recognized under State law for purposes of marriage in the State where the employee resides, including common law marriage in States where it is recognized.

State means any State of the United States or the District of Columbia or any Territory or possession of the United States.

Teacher (or *employee employed in an instructional capacity*, or *instructional employee)* means an employee employed principally in an instructional capacity by an educational agency or school whose principal function is to teach and instruct students in a class, a small group, or an individual setting, and includes athletic coaches, driving instructors, and special education assistants such as signers for the hearing impaired. The term does not include teacher assistants or aides who do not have as their principal function actual teaching or instructing, nor auxiliary personnel such as counselors, psychologists, curriculum specialists, cafeteria workers, maintenance workers, bus drivers, or other primarily noninstructional employees.

Appendix A to Part 825—[Reserved]

Appendix B to Part 825—Certification of Physician or Practitioner

Certification of Health Care Provider

(Family and Medical Leave Act of 1993 as Made Applicable by the Congressional Accountability Act of 1995)

1. Employee's Name:

2. Patient's Name (if different from employee):

3. The attached sheet describes what is meant by a ''serious health condition'' under the Family and Medical Leave Act as made applicable by the Congressional Accountability Act. Does the patient's condition[1] qualify under any of the categories described? If so, please check the applicable category.

(1) _____ (2) _____ (3) _____ (4) _____ (5) _____ (6) _____, or None of the above _____

4. Describe the medical facts which support your certification, including a brief statement as to how the medical facts meet the criteria of one of these categories:

5.a. State the approximate date the condition commenced, and the probable duration of the condition (and also the probable duration of the patient's present incapacity[2] if different):

b. Will it be necessary for the employee to take work only intermittently or to work on a less than full schedule as a result of the condition (including for treatment described in Item 6 below)? _____

If yes, give probable duration:

c. If the condition is a chronic condition (condition #4) or pregnancy, state whether the patient is presently incapacitated[2] and the likely duration and frequency of episodes of incapacity[2]:

6.a. If additional treatments will be required for the condition, provide an estimate of the probable number of such treatments:

If the patient will be absent from work or other daily activities because of treatment on an intermittent or part-time basis, also provide an estimate of the probable number and interval between such treatments, actual or estimated dates of treatment if known, and period required for recovery if any:

b. If any of these treatments will be provided by another provider of health services (e.g., physical therapist), please state the nature of the treatments:

c. If a regimen of continuing treatment by the patient is required under your supervision, provide a general description of such regimen (e.g., prescription drugs, physical therapy requiring special equipment):

7.a. If medical leave is required for the employee's absence from work because of the employee's own condition (including absences due to pregnancy or a chronic condition), is the employee unable to perform work of any kind? _____

b. If able to perform some work, is the employee unable to perform any one or more of the essential functions of the employee's job (the employee or the employer should supply you with information about the essential job functions)? _____ If yes, please list the essential functions the employee is unable to perform: _____

c. If neither a. nor b. applies, is it necessary for the employee to be absent from work for treatment? _____

8.a. If leave is required to care for a family member of the employee with a serious health condition, does the patient require assistance for basic medical or personal needs or safety, or for transportation? _____

b. If no, would the employee's presence to provide psychological comfort be beneficial to the patient or assist in the patient's recovery? _____

c. If the patient will need care only intermittently or on a part-time basis, please indicate the probable duration of this need:

(Signature of Health Care Provider)

(Type of Practice)

(Address)

(Telephone number)

To be completed by the employee needing family leave to care for a family member:

State the care you will provide and an estimate of the period during which care will be provided, including a schedule if leave is to be taken intermittently or if it will be necessary for you to work less than a full schedule:

(Employee signature)

(Date)

A ''Serious Health Condition'' means an illness, injury, impairment, or physical or mental condition that involves one of the following:

1. *Hospital Care.*—Inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of incapacity[1] or subsequent treatment in connection with or consequent to such inpatient care.

2. *Absence Plus Treatment.*—(a) A period of incapacity[2] of more than three consecutive calendar days (including any subsequent treatment or period of incapacity[2] relating to the same condition), that also involves:

(1) Treatment[3] two or more times by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (e.g., physical therapist) under orders of, or on referral by, a health care provider: or

(2) Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment[4] under the supervision of the health care provider.

3. *Pregnancy.*—Any period of incapacity due to pregnancy, or for prenatal care.

4. *Chronic Conditions Requiring Treatments.*—A chronic condition which:

(1) Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;

(2) Continues over an extended period of time (including recurring episodes of a single underlying condition); and

(3) May cause episodic rather than a continuing period of incapacity[2] (e.g., asthma, diabetes, epilepsy, etc.)

5. *Permanent/Long-term Conditions Requiring Supervision.*—A period of incapacity[2] which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.

6. *Multiple Treatments (Non-Chronic Conditions).*—Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity[2] of more than three consecutive calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), kidney disease (dialysis).

FOOTNOTES

[1] Here and elsewhere on this form, the information sought relates only to the condition for which the employee is taking FMLA leave.

[2] ''Incapacity,'' for purposes of FMLA as make applicable by the CAA, is defined to mean inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment therefore, or recovery therefrom.

[3] Treatment includes examinations to determine if a serious health condition exists and evaluations of the condition. Treatment does not include routine physical examinations, eye examinations, or dental examinations.

[4] A regimen of continuing treatment includes, for example, a course of prescription medication (e.g., an antibiotic) or therapy requiring special equipment to resolve or alleviate the health condition. A regimen of treatment does not include the taking of over-the-counter medications such as aspirin, antihistamines, or salves; or bed-rest, drinking fluids, exercise, and other similar activities that can be initiated without a visit to a health care provider.

Appendix C to Part 825—[Reserved]

Appendix D to Part 825—Prototype Notice: Employing Office Response to Employee Request for Family and Medical Leave

Employing office response to employee request for family or medical leave

(Optional use form—see § 825.301(b)(1) of the regulations of the Office of Compliance)

(Family and Medical Leave Act of 1993, as made applicable by the Congressional Accountability Act of 1995)

(Date)

To:_____

(Employee's name)

From:_____

[1] Footnotes at the end of appendix B.

(Name of appropriate employing office representative)

Subject: Request for Family/Medical Leave

On_____, *(date)* you notified us of your need to take family/medical leave due to: (date)

the birth of your child, or the placement of a child with you for adoption or foster care; or

a serious health condition that makes you unable to perform the essential functions of your job; or

a serious health condition affecting your ''spouse, ''child, ''parent, for which you are needed to provide care.

You notified us that you need this leave beginning on _____*(date)* and that you expect leave to continue until on or about_____ *(date)*.

Except as explained below, you have a right under the FMLA, as made applicable by the CAA, for up to 12 weeks of unpaid leave in a 12-month period for the reasons listed above. Also, your health benefits must be maintained during any period of unpaid leave under the same conditions as if you continued to work, and you must be reinstated to the same or an equivalent job with the same pay, benefits, and terms and conditions of employment on your return from leave. If you do not return to work following FMLA leave for a reason other than: (1) the continuation, recurrence, or onset of a serious health condition which would entitle you to FMLA leave; or (2) other circumstances beyond your control, you may be required to reimburse us for our share of health insurance premiums paid on your behalf during your FMLA leave.

This is to inform you that: (*check appropriate boxes; explain where indicated)*

1. You are □ eligible □ not eligible for leave under the FMLA as made applicable by the CAA.

2. The requested leave □ will □ will not be counted against your annual FMLA leave entitlement.

3. You □ will □ will not be required to furnish medical certification of a serious health condition. If required, you must furnish certification by_____ (*insert date*) (must be at least 15 days after you are notified of this requirement) or we may delay the commencement of your leave until the certification is submitted.

4. You may elect to substitute accrued paid leave for unpaid FMLA leave. We □ will □ will not require that you substitute accrued paid leave for unpaid FMLA leave. If paid leave will be used the following conditions will apply: (*Explain*)

5(a). If you normally pay a portion of the premiums for your health insurance, these payments will continue during the period of FMLA leave. Arrangements for payment have been discussed with you and it is agreed that you will make premium payments as follows: (*Set forth dates, e.g., the 10th of each month, or pay periods, etc. that specifically cover the agreement with the employee.*)

(b). You have a minimum 30-day (*or, indicate longer period, if applicable*) grace period in which to make premium payments. If payment is not made timely, your group health insurance may be cancelled, *provided* we notify you in writing at least 15 days before the date that your health coverage will lapse, or, at our option, we may pay your share of the premiums during FMLA leave, and recover these payments from you upon your return to work. We □ will □ will not pay your share of health insurance premiums while you are on leave.

(c). We □ will □ will not do the same with other benefits (e.g., life insurance, disability insurance, etc.) while you are on FMLA leave. If we do pay your premiums for other benefits, when you return from leave you □ will □ will not be expected to reimburse us for the payments made on your behalf.

6. You □ will □ will not be required to present a fitness-for-duty certificate prior to being restored to employment. If such certification is required but not received, your return to work may be delayed until the certification is provided.

7(a). You □ are □ are not a ''key employee'' as described in §825.218 of the Office of Compliance's FMLA regulations. If you are a ''key employee,'' restoration to employment may be denied following FMLA leave on the grounds that such restoration will cause substantial and grievous economic injury to us.

(b). We □ have □ have not determined that restoring you to employment at the conclusion of FMLA leave will cause substantial and grievous economic harm to us. (*Explain (a) and/or (b) below. See §825.219 of the Office of Compliance's FMLA regulations.*)

8. While on leave, you □ will □ will not be required to furnish us with periodic reports every _____ (*indicate interval of periodic reports, as appropriate for the particular leave situation*) of your status and intent to return to work (*see §825.309 of the Office of Compliance's FMLA regulations*). If the circumstances of your leave change and you are able to return to work earlier than the date indicated on the reverse side of this form, you □ will □ will not be required to notify us at least two work days prior to the date you intend to report for work.

9. You □ will □ will not be required to furnish recertification relating to a serious health condition. (*Explain below, if necessary, including the interval between certifications as prescribed in §825.308 of the Office of Compliance's FMLA regulations.*)

Appendix E to Part 825—[Reserved]

SENATE

FAIR LABOR STANDARDS ACT, FINAL AND INTERIM REGULATIONS RELATING TO THE SENATE AND ITS EMPLOYING OFFICES

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE FAIR LABOR STANDARDS ACT OF 1938

NOTICE OF ADOPTION OF REGULATIONS AND SUBMISSION FOR APPROVAL AND ISSUANCE OF INTERIM REGULATIONS

Summary: The Board of Directors of the Office of Compliance, after considering comments to its general Notice of Proposed Rulemaking published on November 28, 1995 in the Congressional Record, has adopted, and is submitting for approval by the Congress, final regulations to implement sections 203(a) and 203(c) (1) and (2) of the Congressional Accountability Act of 1995 (''CAA''), which apply certain rights and protections of the Fair Labor Standards Act of 1938. The Board is also adopting and issuing such regulations as interim regulations for the House, the Senate and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

For Further Information Contact: Executive Director, Office of Compliance, Room LA 200, Library of Congress, Washington, D.C. 20540–1999. Telephone: (202) 724–9250.

I. Background and Summary

Supplementary Information: The Congressional Accountability Act of 1995 (''CAA''), Pub. L. 104–1, 109 Stat. 3, was enacted on January 23, 1995. 2 U.S.C. §§1301 et seq. In general, the CAA applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. In addition, the statute establishes the Office of Compliance (''Office'') with a Board of Directors (''Board'') as ''an independent office within the legislative branch of the Federal Government.'' Section 203(a) of the CAA applies the rights and protections of subsections a(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (''FLSA'') (29 U.S.C. 206(a)(1) and (d), 207, and 212(c)) to covered employees and employing offices. 2 U.S.C. §1313. Section 203(c)(2) of the CAA directs the Board to issue substantive regulations that ''shall be the same as substantive regulations issued by the Secretary of Labor . . . except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under'' the CAA. 2 U.S.C. §1313(c)(2). On September 28, 1995, the Board of the Office of Compliance issued an Advance Notice of Proposed Rulemaking (''ANPR'') soliciting comments from interested parties in order to obtain participation and information early in the rulemaking process. 141 Cong. Rec. S14542 (daily ed., Sept. 28, 1995).

On November 28, 1995, the Board published in the Congressional Record a Notice of Proposed Rulemaking (NPR) (141 Cong. Rec. S17603–27 (daily ed.)). In response to the NPR, the Board received six written comments, three of which were from offices of the Congress and three of which were from organizations associated with the business community and organized labor. The comments included requests that the Board should provide additional guidance to employing offices on complying with the CAA and compliance issues raised by the ambiguities in the Secretary of Labor's regulations.

Parenthetically, it should also be noted that, on October 11, 1995, the Board published a Notice of Proposed Rulemaking in the Congressional Record (141 Cong. R. S15025 (daily ed., October 11, 1995) (''NPR'')), inviting comments from interested parties on the proposed FLSA regulations which the CAA directed the Board to issue on the definition of ''intern'' and on ''irregular work schedules.'' Final regulations on those matters were separately adopted by the Board on January 16, 1996. However, because they are regulations implementing the rights and protections of the FLSA made applicable by the CAA, the Board has incorporated those regulations into the body of final regulations being adopted pursuant to this Notice. The definition of ''intern'' may be found in section [H or S]501.102(c) & (h), and the ''irregular work schedules'' regulation may be found in sections [H or S or C]553.301–553.304.

II. Consideration of public comments; the Board's response and modifications to the NPR's rules

A. Requests that the Board provide additional guidance, including interpretative bulletins and opinion letters

The Board first turns to the issue of whether and in what circumstances the Board can and should give authoritative guidance to employing offices about issues arising from ambiguities in and uncertain applications of the Secretary's regulations. Commenters have formally and informally requested such guidance in various forms: that the Board change the Secretary's regulations to clarify ambiguities; that the Board adopt the Secretary's interpretive bulletins; that the Board issue the Secretary of Labor's interpretative bulletins as its own regulations; that the Board issue opinion letters constituting safe harbors from litigation; that

the Board give its imprimatur, either formally or informally, to employee handbooks and other human resource activities of employing offices. Mindful that the Board's first decisions on these matters will have important institutional and legal implications, the Board has carefully considered these requests, as well as the underlying concerns they reflect.

At the outset, the Board must decline the suggestion that it modify the Secretary's regulations in order to remove the ambiguities and resulting uncertainties that Congressional offices will face in complying with the CAA once it takes effect. The Board's authority to modify the regulations of the Secretary is explicitly limited by the requirement that the substantive regulations issued by the Secretary of Labor ''shall be the same as substantive regulations issued by the Secretary of Labor . . . except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under'' the CAA. As is true of many regulatory issues, ambiguity and uncertainty are part of the the FLSA regulatory regime that is presently imposed—with much criticism and protest—on private sector and state and local government employers.

The example of the executive, administrative and professional employee exemptions illustrates this point. The Board specifically highlighted this problem and asked for comment in its ANPR (141 Cong. Rec. S14542, S14543) on September 28, 1995. Although the Board received many comments on this issue and is sympathetic with the concerns of employing offices confronting such ambiguity and uncertainty, the Board has neither been given nor can find appropriate justification for relieving employing offices of the compliance burdens that all employers face under the FLSA. The CAA was intended not only to bring covered employees the benefits of the FLSA and other incorporated laws, but also to require Congress to experience the same compliance burdens faced by other employers so that it could more fairly legislate in this area. The Board cannot agree with suggestions that would rob the CAA of one of its principal intended effects.

The Board must also decline the suggestion that it adopt, as either formal regulations or as its own interpretive authority, the interpretive bulletins found in Subpart B of Part 541 and elsewhere in the Secretary of Labor's regulations. Section 203(c)(2) of the CAA requires the Board to promulgate regulations that are the same as the substantive regulations promulgated by the Secretary. But, as explained in the NPR, the interpretive bulletins set forth in Subpart B of Part 541 and elsewhere in the Secretary of Labor's regulations are not substantive regulations within the meaning of the law. Moreover, with respect to the concern expressed by some commenters that congressional employing offices would be at a distinct disadvantage if the Board does not adopt the Secretary's interpretative bulletins, the Board again notes, as it did in the NPR, that the Board need not adopt the Secretary's interpretive bulletins in order for them to be available as guidance for employing offices. While the Board is not adopting these interpretive bulletins, the Board reiterates that, like the myriad judicial decisions under the FLSA that are available as guidance for employing offices, the Secretary's interpretive bulletins remain available as part of the corpus of interpretive materials to which employing offices may look in structuring their FLSA-related compliance activities. Indeed, as the Board also noted in the NPR, since the CAA may properly be interpreted as incorporating the defenses and exemptions set forth in the Portal-to-Portal Act, an employing office that relies in good faith on an applicable interpretive bulletin of the Secretary may in fact have a statutory defense to an enforcement action brought by a covered employee. In short, contrary to the suggestion of these commenters, the Board need not adopt the Secretary's interpretive bulletins in order to give employing offices the benefit of them.

One commenter went so far as to suggest that, by not adopting the Secretary's interpretive bulletins, the Board has somehow signaled its intent to engage in a wholesale reinterpretation of the FLSA and its implementing regulations. No such signal was sent; no such signal was intended. Since the CAA does not require adoption of these interpretive bulletins, and since they are independently available to employing offices, the Board merely determined that it need not adopt the Secretary's interpretative bulletins as its own. Moreover, like the Administrator and the courts, the Board intends to depart from the interpretive bulletins only where their persuasive force is lacking or the law otherwise requires (just as courts or the Administrator would do). *See Skidmore* v. *Swift & Co.*, 323 U.S. 134, 137-38 (1944); *Reich* v. *Interstate Brands Corp.*, 57 F.3d 574, 577 (7th Cir. 1995) (''[W]e give the Secretary's bulletins the respect their reasoning earns them.''); *Dalheim* v. *KDFW-TV*, 918 F.2d 1220, 1228 (5th Cir. 1990) (''the persuasive authority of a given interpretation obtains only so long as ''all those factors which give it power to persuade'' persist.'') (quoting *Skidmore*).

As an alternative to modifying the regulations and adopting the interpretive bulletins of the Secretary, several commenters also suggested that the Board clarify regulatory ambiguities by issuing interpretive bulletins and advisory opinions of its own and thereby confer a Portal-to-Portal Act defense on employing offices that rely upon any such bulletins or advisory opinions of the Board. Indeed, at least one commenter suggested that the Board should provide advisory opinions and other counsel to employing offices that pose questions to it concerning, for example, the propriety of proposed model personnel practices, the exempt status of employees with specified job descriptions, the legality of proposed handbooks, and the qualification of certain House and Senate programs (such as the Federal Thrift Savings Plan) for defenses or exemptions recognized in the FLSA and the Secretary's regulations. The Board has considered these suggestions and, although empathizing with the concerns motivating these requests, finds these suggestions raise intractable legal and practical problems.

To begin with, the Board upon further study has determined that, contrary to the suggestion of the commenters, the Board cannot confer a Portal-to-Portal Act defense on employing offices for any reliance on pronouncements of the Board (as opposed to the Secretary). By its own terms, in the context of the FLSA, the Portal-to-Portal Act applies only to written administrative actions of the Wage and Hour Administrator of the Department of Labor. *See* 29 U.S.C. §259. The Portal-to-Portal Act does not mention the Board; and the Board's authority to amend the Secretary's regulations for ''good cause'' plainly does not extend to amending statutes such as the Portal-to-Portal Act. Thus, as the federal court of appeals which has jurisdiction over such matters under the CAA has held in an almost identical context, the Portal-to-Portal Act would not confer a defense upon employing offices that might rely upon a pronouncement of the Board. *See Berg* v. *Newman*, 982 F.2d 500, 503-504 (Fed Cir. 1992) (''To apply the statute to a regulation issued by OPM, an agency not referred to in section 259, would extend the section 259 exception beyond its scope''; ''OPM's absence from section 259 prevents the Government from both adopting and shielding itself from liability for faulty regulations.'') The final regulations so state.

Second, contrary to the assumption of these commenters, the Board has neither the legal basis nor the practical ability to issue the kind of interpretive bulletins or advisory opinions being requested. While the Administrator of the Wage and Hour Division entertains questions posed by employers about enforcement-related issues, the Administrator's willingness and ability to respond to such questions derives from and is constrained by her investigatory and enforcement responsibilities under the FLSA. As the Supreme Court stated over 50 years ago in *Skidmore* v. *Swift & Co.*, 323 U.S. 134, 137–38 (1944) (citations omitted): ''Congress did not utilize the services of an administrative agency to find facts and to determine in the first instance whether particular cases fall within or without the Act. Instead, it put these responsibilities on the courts. But it did create the office of Administrator, impose upon him a variety of duties, endow him with powers to inform himself of conditions in industries and employments subject to the Act, and put on him the duties of bringing injunction actions to restrain violations. Pursuit of his duties has accumulated a considerable experience in the problems of ascertaining working time in employments involving periods of inactivity and a knowledge of the customs prevailing in reference to their solution. From these he is obliged to reach conclusions as to conduct without the law, so that he should seek injunctions to stop it, and that within the law, so that he has no call to interfere. He has set forth his views of the application of the Act under different circumstances in an interpretative bulletin and in informal rulings. They provide a practical guide to employers and employees as to how the office representing the public interest in its enforcement will seek to apply it.''

In contrast, the Board has no investigative power by which it can inform itself of conditions, circumstances and customs of employment in the legislative branch; its resources for finding and considering such information are smaller by orders of substantial magnitude; and, most importantly, the Board has no cause to advise employees and employing offices concerning how it will seek to enforce the statute, since it has no enforcement powers under the CAA.

Indeed, on reflection, it seems unwise, if not legally improper, for the Board to set forth its views on interpretive ambiguities in the regulations outside of the adjudicatory context of individual cases. As noted above, the Board's rulemaking authority is quite restricted. Moreover, the Board has no enforcement authority and, in contrast to the FLSA scheme (where the Administrator has no adjudicatory authority to find facts and to determine in the first instance whether particular cases fall within or without the statute), the CAA contemplates that the Board will adjudicate cases brought by covered employees and that, in such adjudications, the Board must be of independent and open mind, bound to and limited by a factual record developed through an adversarial process governed by rules of law, and subject to judicial review of its decisions. See 2 U.S.C. §§1405–1407 (procedure for complaint, hearing, board review and judicial review; requiring hearings to be conducted in accordance with 5 U.S.C. §§554–557); 29 U.S.C. §§554–557. These legal safeguards and the institutional objectives they seek to promote—i.e., the accuracy of the Board's adjudicative decisions and the integrity of the Board's processes—would be undermined if the Board

were to attempt to prejudge ambiguous or disputed interpretive matters in advisory opinions that were developed in non-adversarial, non-public proceedings. The Board thus cannot acquiesce in requests for such advisory opinions.

Some commenters suggested that the Board could properly issue such interpretive bulletins and advisory opinions under the rubric of the ''education'' and ''information'' programs allowed and, indeed, mandated by section 301(h) of the CAA. Of course, the Office's education and information programs are not the subject of this notice and comment and thus a discussion of ''education'' and ''information'' programs is not necessary to this rulemaking effort. But, upon due consideration of matter, it appears that this suggestion is based upon a fundamental misunderstanding of the institutional powers and responsibilities conferred upon and withheld from the Board and the Office by Congress in the CAA. Thus, it is both fair and prudent to address the issue at this point.

At the outset, the Board notes that Section 301(h)'s reference to ''education'' and ''information'' programs is not the broad mandate that these comments suggest. In contrast to other statutory schemes, section 301(h) does not authorize, much less compel, the development by the Board or the Office of ''training'' or ''technical assistance'' programs such as those that are included in the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Occupational Safety and Health Act of 1970, the Employee Polygraph Protection Act of 1988, and the Age Discrimination in Employment Act of 1967. Nor does the CAA authorize, much less compel, the issuance of interpretive bulletins, advisory opinions or enforcement guidelines, as agencies with investigative and prosecutorial powers (and matching resources) are sometimes allowed (although almost never compelled) to issue. Rather, section 301(h) directs the Office to carry out ''a program of education for members of Congress and other employing authorities of the legislative branch of the Federal Government respecting the laws made applicable to them''; and ''a program to inform individuals of their rights under laws applicable to the legislative branch of the Federal Government.'' 2 U.S.C. §1381(h). Such admonitions are, however, contained in almost all federal employment laws; and those experienced in the field understand them to concern only programs that ensure general ''awareness'' of rights and responsibilities under the pertinent law.

Section 301(h) must be read in the context of the powers granted to and withheld from the Board in the statutory scheme created by the CAA. The CAA authorizes the Board to engage in rulemaking, but requires the Board to follow specified procedures in doing so and, at least in the context of the FLSA, requires the Board to have ''good cause'' for departing from the Secretary of Labor's substantive regulations. Moreover, the CAA authorizes the Board to engage in adjudication, but only after a complaint is filed with the Office, a record is properly developed through an adversarial process governed by rules of law, and judicial review is assured. And the CAA rather pointedly declines to confer upon the Board the investigatory and prosecutorial authority that is necessary for sound decisionmaking and interpretation outside of the regulatory and adjudicatory contexts. Given this statutory scheme, section 301(h)'s ''education and information'' mandate cannot reasonably be construed to require (or even allow) the Board to engage in the kind of advisory counselling requested here—i.e., authoritative opinions developed in nonpublic, nonadversarial proceedings.

Indeed, Congress appears effectively to have considered this issue in the CAA and to have rejected the kind of relationship between the Board and employing offices that is contemplated by this request. The legislative history reflects a recognition that ''the office must, in appearance and reality, be independent in order to gain and keep the confidence of the employees and employers who will utilize the dispute resolution process created by this act.'' 141 Cong. Rec. at S627. The legislative history further reflects a recognition that ''laws cannot be enforced in a fair and uniform manner—and employees and the public cannot be convinced that the laws are being enforced in a fair and uniform manner—unless Congress establishes a single enforcement mechanism that is independent of each House of Congress.'' 141 Cong. Rec. at S444. The statute thus declares that the Office of Compliance is an ''independent office'' in the legislative branch; that the Office is governed by a Board of Directors whose members were appointed on a bi-partisan basis for non-partisan reasons, who may be removed in only quite limited circumstances, and whose incomes are largely derived from work in the private sector; and that the Board must follow formal public comment and adjudicatory procedures in making any decisions with legal effect. 2 U.S.C. §§1381(a), (b), (e), (f), (g), 1384, 1405–6. The call for issuing advisory opinions in the ''education'' and ''information'' process—opinions that would be issued in non-public, non-adversarial proceedings without regard to the statutorily-required public comment and adjudicatory procedures—is in intolerable tension with the institutional independence, inclusiveness and procedural regularity contemplated for the Board by the CAA.

In all events, the Board would in the exercise of its considered judgment decline to provide authoritative opinions to employing offices as part of its ''education'' and ''information'' programs. Without investigatorial and prosecutorial authority (and matching resources), the Board has insufficient information and thus is practicably unable to provide such authoritative opinions. With severely restricted rulemaking authority, the Board cannot properly provide regulatory clarifications for employing offices when those clarifications have not been provided by the Secretary to private sector and state and local government employers. And, with its adjudicatory powers, the Board should not resolve disputed interpretive matters in the absence of a specific factual controversy, a record developed through an adversarial process governed by rules of law, and an opportunity for judicial review. To do otherwise would simply impair the independence, impartiality, and irreproachability of the Board's actions. In short, for much the same reasons that federal courts do not issue advisory opinions or *ex parte* decisions, neither should the Board. *See United States* v. *Freuhauf*, 365 U.S. 146, 157 (1961) (Frankfurter, J.) (discussing vices of advisory opinions).

To be sure, ''education'' and ''information'' programs are of central importance to the CAA scheme. Such programs are needed, in part, to help employing offices in their efforts to understand and satisfy their compliance obligations under the CAA. And the Board reiterates its intention, stated in the NPR, that the Office sponsor, and participate in, seminars on the obligations of employing offices, distribute a comprehensive manual to address frequently arising questions under the CAA (including questions relating to FLSA exemptions), and be available generally to discuss compliance-related issues when called upon by employing offices. But the Board itself will not and should not in this education and information process issue authoritative opinions about such matters as the exemption status of employees with specified job duties, the propriety of particular model handbooks and policies developed by employing offices, and the qualification of certain House and Senate programs (such as the Federal Thrift Savings Plan) for particular defenses and exemptions that are available under the regulations. Characterizing such interpretive activity as ''educational'' or ''informational'' does not in any way address, much less satisfactorily resolve, the serious legal and institutional concerns that make it unwise, if not improper, for the Board to engage in such interpretive activities outside of the adjudicative processes established by the CAA.

The Board recognizes that, by declining to provide such authoritative advisory opinions, the Board is forcing employing offices to rely to a greater extent upon their own counsel and human resources officials and in a sense is frustrating the efforts of employing offices to obtain desirable safe-harbors. The FLSA as currently applied to private employers contains few such safe-harbors, particularly in the area of exemptions. But many knowledgeable labor lawyers and human resources officials are available to provide employing offices with the kind of learned counsel and human resources advice that the employing offices are seeking from the Board; indeed, the House and Senate have centralized administrations and committees that can provide this legal support to employing offices. And employing offices have the benefit of the same legal safe-harbors that the Secretary of Labor has made available to private sector and State and local government employers. Under the CAA, they are legally entitled to no more.

Even more importantly, however, the Board finds that the long-term institutional harm to the CAA scheme that would result from the Board's providing such advisory opinions in non-public, non-adversarial proceedings far outweighs whatever short-term legal or political benefits might result for employing offices. As noted above, provision by the Board of such opinions could impair confidence in the independence, impartiality and irreproachability of the Board's decisionmaking processes. Such a lack of confidence could unfortunately induce employees to take their cases to court rather than bring them to the Board's less costly, confidential and expedited alternative dispute resolution process. Even more seriously, such a lack of confidence could cause the public and other interested persons to question the Board's commitment, and thus the sincerity of the CAA's promise, generally to provide covered employees the same benefits, and to subject the legislative branch to the same legal burdens, as exist with regard to private sector and State and local government employers that are subject to the FLSA. We are confident that, like the bi-partisan Congressional leadership who appointed us and who placed their trust in our experience and judgment concerning how best to implement this statute, those in Congress who voted for the CAA or who would support it today would want us to prefer the long term viability, integrity, and efficacy of this noble statutory enterprise over the short-term demands of employing offices.

B. Specific comments and Board action.

1. §§541.1,.2,.3—''White collar'' exemptions—Use of job descriptions to determine exempt status

The Board received several comments urging the Board, on the basis of generic job descriptions, to give advice to employing offices on whether covered employees are exempt as bona fide executive, administrative, or professional employees under FLSA §13(a)(1) as applied by the CAA. As noted above, it would not be appropriate to attempt to give such advice in the context of

this rulemaking. The Board would note, as a further point, that submission of such descriptions which may describe functions of congressional employees would not, in any event, provide the detail necessary to determine the exempt or nonexempt status of the job. Job descriptions that utilize language or phraseology derived from the regulations today adopted by the Board do not provide the specificity of conclusions regarding exempt or nonexempt status. The Secretary's regulations, as adopted by the Board, speak for themselves. It would serve no purpose, and provide no guidance, simply to repeat the statutory standards for exemption in a job description without reference to the particular functions of a particular employee. The Fair Labor Standards Act is clear that actual function, and not description or job title, govern the exempt status of an employee. See, e.g., 29 C.F.R. §541.201 (3)(b)(1),(2).

2. §541.5d—Special rule for ''white collar'' employees of a public agency

Under §13(a)(1) of the FLSA, which is incorporated by reference under §225(f)(1) of the CAA, a salaried employee who is a bona fide executive, administrative, or professional employee need not be paid overtime compensation for hours worked in excess of the statutory maximum. Sections 541.1, 541.2, and 541.3, 29 C.F.R., of the Secretary of Labor's regulations respectively define the criteria for each of these ''white collar'' exemptions. Since they are substantive regulations, the Board in its NPR proposed to adopt them.

Among the regulations not proposed for adoption was §541.5d. This regulation provides that an employee shall not lose his or her ''white collar'' exemption where a ''public agency'' employer reduces an exempt employee's pay or places the employee on unpaid leave in certain circumstances for partial-day absences.. As explained in the Federal Register Notice announcing its adoption, the Secretary of Labor issued §541.5d in response to concerns that the application of the FLSA to State and local governments would undermine well-settled ''policies of public accountability'' that require public employees (including those who would otherwise be exempt) to incur a reduction in pay if they absent themselves from work under certain circumstances. 57 Fed. Reg. 37677 (Aug. 19, 1992).

The Board originally did not propose adoption of this regulation. However, one commenter pointed out that, by its terms, §541.5d covers a ''public agency,'' which is a statutory term defined in §3(x) of the FLSA to include ''the government of the United States.'' As a definitional provision, §3(x) is incorporated into the CAA by virtue of §225(f)(1), and Congress is undeniably a branch of the ''government of the United States.''

The Board finds merit in the commenter's argument. Moreover, the adoption of this regulation is well in keeping with the Board's mandate to promulgate rules that are ''the same as substantive regulations promulgated by the Department of Labor to implement'' those FLSA statutory provisions made applicable by the CAA. Accordingly, §541.5d will be adopted with a minor change that substitutes for the citation to §541.118 (an interpretative bulletin) the phrase ''being paid on a salary basis,'' which is derived directly from the substantive regulations defining the ''white collar'' exemptions (i.e., 29 C.F.R. §§541.1,.2,.3).

3. Partial overtime exemption for law enforcement officers

The Board did not propose to adopt any sections of 29 C.F.R. Part 553, which govern the application of the FLSA to employees of State and local governments. Subparts A and B of that Part address a variety of issues, including certain exclusions pertaining to elected legislative offices, the use of compensatory time off, recordkeeping, and the employment of volunteers. Subpart C addresses the special provisions which Congress enacted in §7(k) in connection with fire protection and law enforcement employees of public agencies.

Section 7(k) of the FLSA also provides a partial overtime exemption for fire protection and law enforcement employees of a public agency. Based on tour-of-duty averages that were determined by the Secretary of Labor in 1975, an employer need not pay overtime if, in a work period of 28 consecutive days, the employee receives a tour of duty which in the aggregate does not exceed 212 hours for fire protection activity or does not exceed 171 hours for law enforcement activity. Thus, for law enforcement personnel, work in excess of 171 hours during the 28-day period triggers the requirement to pay overtime compensation. For a work period of at least 7 but less than 28 consecutive days, overtime must be paid when the ratio of the number of hours worked to the number of days in the work period exceeds the 171-hours-to-28-days ratio (rounded to the nearest whole hour).

Although the regulations by their terms apply only to ''public agencies'' of State and local governments, one commenter observed that the underlying statutory provisions are not so limited but rather apply to any ''public agency,'' which by definition includes the Federal government (See §3(x) of the FLSA). Accordingly, it was argued that the Board should adopt those regulations implementing the §7(k) partial overtime exemption insofar as it would apply to the law enforcement work of the Capitol Police.

For the reasons noted above that support adoption of §541.5d, the Board finds that the pertinent sections of Subpart C of Part 553 should also be adopted. Section 7(k) provides a direct textual basis for applying the relevant regulations. Thus, under the regulations, the Capitol Police as an employing office of law enforcement personnel shall have two options: It may pay such personnel overtime compensation on the basis of a 40-hour workweek. Alternatively, it may claim the section 7(k) exemption by establishing a valid work period that follows the criteria set forth in the regulations.

The Board is aware that Congress has enacted special provisions governing overtime compensation and compensatory time off for Capitol Police officers. 40 U.S.C. §206b (for police on the House's payroll) and §206c (for police on the Senate's payroll). However, the regulations being adopted here do not purport to modify those statutory provisions; and whether 40 U.S.C. §§206b–206c grant rights and protections to law enforcement employees that preclude the Capitol Police from availing itself of §7(k) of the FLSA is a question that the Board does not address. The regulations simply specify the rules for overtime policies that conform to the FLSA.

4. §570.35a—Work experience programs for minors

The CAA makes applicable to the legislative branch FLSA §12(c), which prohibits the use of oppressive child labor, and FLSA §3(l), which defines ''oppressive child labor.'' In its NPR, the Board proposed adopting as part of the CAA rules applicable to the Senate certain substantive regulations of Part 570, 29 C.F.R., implementing these statutory provisions. This proposal was based on the Board's understanding that the Senate has a practice of appointing pages under 18 years of age.

One commenter confirmed this understanding by reporting that the Senate Page Program does employ minors under the age of 16. Thus, under the proposed regulations, there are limitations on the periods and the conditions under which such minors can work. Without disputing the applicability of this regulation, the commenter sought to mitigate its impact by urging the adoption of an additional regulation found in 29 C.F.R. Part 570, Subpart C, namely the rule that varies some of the provisions of Subpart C in the context of school-supervised and school-administered work-experience or career exploration programs that have been individually approved by the Wage and Hour Administrator. 29 C.F.R. §570.35a.

After carefully reviewing the provisions of §570.35a, the Board finds that it would not be appropriate to adopt this regulation. There is no available ''State Educational Agency'' in the context of the CAA; State law is not properly applicable here; and the Board is obviously not competent to set educational standards. In short, there are legal and practical reasons why this regulation is unworkable in the context of Federal legislative branch employment, and the Board thus has ''good cause'' not to adopt it.

5. Board determination on regulations ''required'' to be issued in connection with §411 default provision

Section 411 of the CAA provides in pertinent part that ''if the Board has not issued a regulation on a matter for which [the CAA] requires a regulation to be issued the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue.'' By its own terms, this provision comes into play only where it is determined that the Board has not issued a regulation that is required by the CAA. Thus, before a Department of Labor regulation can be invoked, an adjudicator must make a threshold determination that the regulation concerns a matter as to which the Board was obligated under the CAA to issue a regulation.

As noted in the NPR, it was apparent in reviewing Chapter V of 29 C.F.R., which contains all the regulations of the Secretary of Labor issued to implement the FLSA generally, many of those regulations were not legally ''required'' to be issued as CAA regulations because the underlying FLSA provisions were not made applicable under the CAA. And there are other regulations that the Board has ''good cause'' not to issue because, for example, they have no applicability to legislative branch employment.

None of the comments to the NPR quarrelled with the Board's conclusion not to adopt those regulations that have little practical application. Therefore, the Board is not issuing regulations predicated upon the following Parts of 29 C.F.R.: Parts 519-528, which authorize subminimum wages for full-time students, student-learners, apprentices, learners, messengers, workers with disabilities, and student workers; Part 548, which authorizes in the collective bargaining context the establishment of basic wage rates for overtime compensation purposes; and Part 551, which implements an overtime exemption for local delivery drivers and helpers.

The comments did identify several individual regulations as to which there is not good cause to not adopt. As explained elsewhere, those regulations are being included in the final rules. However, in the main, the comments did not dispute the inapplicability of those Parts of 29 C.F.R. deemed legally irrelevant.

Accordingly, in keeping with its announced intent in the NPR, the Board is including in its final rules a declaration to the

effect that the Board has issued those regulations that, as both a legal and practical matter, it is ''required'' to promulgate to implement the statutory provisions of the FLSA that are made applicable to the legislative branch by the CAA.

The Board has carefully reviewed the entire corpus of the Secretary's regulations, has sought comment on its proposal concerning the regulations that it should (and should not adopt), and has considered those comments in formulating its final rules. The Board has acted based on this review and consideration and in order to prevent wasteful litigation about whether the omission of a regulation from the Secretary in the Board's regulations was intended or not.

6. Recordkeeping and notice posting

One comment essentially requested that the Board revisit an issue which it resolved after receiving comments to its Advance Notice of Proposed Rulemaking (ANPR) published on October 11, 1995. The ANPR had solicited public comments on certain questions to assist the Board in drafting proposed FLSA regulations, including the question of whether the FLSA provisions regarding recordkeeping and the notice posting were made applicable by the CAA. As explained in the NPR, after evaluating the comments and carefully reviewing the CAA, the Board concluded that ''the CAA explicitly did not incorporate the notice posting and recordkeeping requirements of Section 11, 29 U.S.C. §211 of the FLSA.'' The most recent comment offered no further statutory evidence to support a change in the Board's original conclusion.

7. Technical and nomenclature changes

A commenter suggested a number of technical and nomenclature changes to the proposed regulations to make them more precise in their application to the legislative branch. The Board has incorporated many of the suggested changes. However, by making these changes, the Board does not intend a substantive difference in meaning of these sections of the Board's regulations and those of the Secretary from which the Board's regulations are derived.

III. Adoption of Proposed Rules as Final Regulations under Section 304(b)(3) and as Interim Regulations

Having considered the public comments to the proposed rules, the Board pursuant to section 304(b)(3) & (4) of the CAA is adopting these final regulations and transmitting them to the House and the Senate with recommendations as to the method of approval by each body under section 304(c). However, the rapidly approaching effective date of the CAA's implementation necessitates that the Board take further action with respect to these regulations. For the reasons explained below, the Board is also today adopting and issuing these rules as interim regulations that will be effective as of January 23, 1996 or the time upon which appropriate resolutions of approval of these interim regulations are passed by the House and/or the Senate, whichever is later. These interim regulations will remain in effect until the earlier of April 15, 1996 or the dates upon which the House and Senate complete their respective consideration of the final regulations that the Board is herein adopting.

The Board finds that it is necessary and appropriate to adopt such interim regulations and that there is ''good cause'' for making them effective as of the later of January 23, 1996, or the time upon which appropriate resolutions of approval of them are passed by the House and the Senate. In the absence of the issuance of such interim regulations, covered employees, employing offices, and the Office of Compliance staff itself would be forced to operate in regulatory uncertainty. While section 411 of the CAA provides that, ''if the Board has not issued a regulation on a matter for which this Act requires a regulation to be issued, the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue in the proceeding,'' covered employees, employing offices and the Office of Compliance staff might not know what regulation, if any, would be found applicable in particular circumstances absent the procedures suggested here. The resulting confusion and uncertainty on the part of covered employees and employing offices would be contrary to the purposes and objectives of the CAA, as well as to the interests of those whom it protects and regulates. Moreover, since the House and the Senate will likely act on the Board's final regulations within a short period of time, covered employees and employing offices would have to devote considerable attention and resources to learning, understanding, and complying with a whole set of default regulations that would then have no future application. These interim regulations prevent such a waste of resources.

The Board's authority to issue such interim regulations derives from sections 411 and 304 of the CAA. Section 411 gives the Board authority to determine whether, in the absence of the issuance of a final regulation by the Board, it is necessary and appropriate to apply the substantive regulations of the executive branch in implementing the provisions of the CAA. Section 304(a) of the CAA in turn authorizes the Board to issue substantive regulations to implement the Act. Moreover, section 304(b) of the CAA instructs that the Board shall adopt substantive regulations ''in accordance with the principles and procedures set forth in section 553 of title 5, United States Code,'' which have in turn traditionally been construed by courts to allow an agency to issue ''interim'' rules where the failure to have rules in place in a timely manner would frustrate the effective operation of a federal statute. See, e.g., *Philadelphia Citizens in Action* v. *Schweiker*, 669 F.2d 877 (3d Cir. 1982). As noted above, in the absence of the Board's adoption and issuance of these interim rules, such a frustration of the effective operation of the CAA would occur here.

In so interpreting its authority, the Board recognizes that in section 304 of the CAA, Congress specified certain procedures that the Board must follow in issuing substantive regulations. In section 304(b), Congress said that, except as specified in section 304(e), the Board must follow certain notice and comment and other procedures. The interim regulations in fact have been subject to such notice and comment and such other procedures of section 304(b).

In issuing these interim regulations, the Board also recognizes that section 304(c) specifies certain procedures that the House and the Senate are to follow in approving the Board's regulations. The Board is of the view that the essence of section 304(c)'s requirements are satisfied by making the effectiveness of these interim regulations conditional on the passage of appropriate resolutions of approval by the House and/or the Senate. Moreover, section 304(c) appears to be designed primarily for (and applicable to) final regulations of the Board, which these interim regulations are not. In short, section 304(c)'s procedures should not be understood to prevent the issuance of interim regulations that are necessary for the effective implementation of the CAA.

Indeed, the promulgation of these interim regulations clearly conforms to the spirit of section 304(c) and, in fact promotes its proper operation. As noted above, the interim regulations shall become effective only upon the passage of appropriate resolutions of approval, which is what section 304(c) contemplates. Moreover, these interim regulations allow more considered deliberation by the House and the Senate of the Board's final regulations under section 304(c).

The House has in fact already signalled its approval of such interim regulations both for itself and for the instrumentalities. On December 19, 1995, the House adopted H. Res. 311 and H. Con. Res. 123, which approve ''on a provisional basis'' regulations ''issued by the Office of Compliance before January 23, 1996.'' The Board believes these resolutions are sufficient to make these interim regulations effective for the House on January 23, 1996, though the House might want to pass new resolutions of approval in response to this pronouncement of the Board.

To the Board's knowledge, the Senate has not yet acted on H. Con. Res. 123, nor has it passed a counterpart to H. Res. 311 that would cover employing offices and employees of the Senate. As stated herein, it must do so if these interim regulations are to apply to the Senate and the other employing offices of the instrumentalities (and to prevent the default rules of the executive branch from applying as of January 23, 1996).

IV. Method of Approval

The Board received no comments on the method of approval for these regulations. Therefore, the Board continues to recommend that (1) the version of the regulations that shall apply to the Senate and employees of the Senate should be approved by the Senate by resolution; (2) the version of the regulations that shall apply to the House of Representatives and employees of the House of Representatives should be approved by the House of Representatives by resolution; and (3) the version of the regulations that shall apply to other covered employees and employing offices should be approved by the Congress by concurrent resolution.

With respect to the interim version of these regulations, the Board recommends that the Senate approve them by resolution insofar as they apply to the Senate and employees of the Senate. In addition, the Board recommends that the Senate approve them by concurrent resolution insofar as they apply to other covered employees and employing offices. It is noted that the House has expressed its approval of the regulations insofar as they apply to the House and its employees through its passage of H. Res. 311 on December 19, 1995. The House also expressed its approval of the regulations insofar as they apply to other employing offices through passage of H. Con. Res. 123 on the same date; this concurrent resolution is pending before the Senate.

ADOPTED REGULATIONS—AS INTERIM AND AS FINAL REGULATIONS:

Subtitle A—Regulations Relating to the Senate and Its Employing Offices—S Series

Chapter III—Regulations Relating to the Rights and Protections Under the Fair Labor Standards Act of 1938

Part S501—General Provisions

Sec.

S501.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

S501.101 Purpose and scope.

S501.102 Definitions.

S501.103 Coverage.

S501.104 Administrative authority.

S501.105 Effect of Interpretations of the Labor Department.

S501.106 Application of the Portal-to-Portal Act of 1947.

S501.107 Duration of interim regulations.

§ S501.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

The following table lists the parts of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding parts of the Office of Compliance (OC) Regulations under Section 203 of the CAA.

Secretary of Labor regulations	*OC regulations*
Part 531 Wage payments under the Fair Labor Standards Act of 1938	Part S531
Part 541 Defining and delimiting the terms ''bona fide executive,'' ''administrative,'' and ''professional'' employees	Part S541
Part 547 Requirements of a ''Bona fide thrift or savings plan''	Part S547
Part 553 Application of the FLSA to employees of public agencies	Part S553
Part 570 Child labor	Part S570

Subpart A—Matters of General Applicability

§ S501.101 Purpose and scope.

(a) Section 203 of the Congressional Accountability Act (CAA) provides that the rights and protections of subsections (a)(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (FLSA) (29 U.S.C. §§206(a)(1) & (d), 207, 212(c)) shall apply to covered employees of the legislative branch of the Federal government. Section 301 of the CAA creates the Office of Compliance as an independent office in the legislative branch for enforcing the rights and protections of the FLSA, as applied by the CAA.

(b) The FLSA as applied by the CAA provides for minimum standards for both wages and overtime entitlements, and delineates administrative procedures by which covered worktime must be compensated. Included also in the FLSA are provisions related to child labor, equal pay, and portal-to-portal activities. In addition, the FLSA exempts specified employees or groups of employees from the application of certain of its provisions.

(c) This chapter contains the substantive regulations with respect to the FLSA that the Board of Directors of the Office of Compliance has adopted pursuant to Sections 203(c) and 304 of the CAA, which require that the Board promulgate regulations that are ''the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of §203 of the CAA] except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.''

(d) These regulations are issued by the Board of Directors, Office of Compliance, pursuant to sections 203(c) and 304 of the CAA, which directs the Board to promulgate regulations implementing section 203 that are ''the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection a [of section 203 of the CAA] except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' The regulations issued by the Board herein are on all matters for which section 203 of the CAA requires regulations to be issued. Specifically, it is the Board's considered judgment, based on the information available to it at the time of the promulgation of these regulations, that, with the exception of regulations adopted and set forth herein, there are no other ''substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 203 of the CAA].''

(e) In promulgating these regulations, the Board has made certain technical and nomenclature changes to the regulations as promulgated by the Secretary. Such changes are intended to make the provisions adopted accord more naturally to situations in the legislative branch. However, by making these changes, the Board does not intend a substantive difference between these regulations and those of the Secretary from which they are derived. Moreover, such changes, in and of themselves, are not intended to constitute an interpretation of the regulation or of the statutory provisions of the CAA upon which they are based.

§ S501.102 Definitions.

For purposes of this chapter:

(a) *CAA* means the Congressional Accountability Act of 1995 (P.L. 104–1, 109 Stat. 3, 2 U.S.C. §§1301–1438).

(b) *FLSA* or *Act* means the Fair Labor Standards Act of 1938, as amended (29 U.S.C. §201 et seq.), as applied by section 203 of the CAA to covered employees and employing offices.

(c) *Covered employee* means any employee of the Senate, including an applicant for employment and a former employee, but shall not include an intern.

(d) *Employee of the Senate* includes any employee whose pay is disbursed by the Secretary of the Senate, but not any such individual employed by (1) the Capitol Guide Service; (2) the Capitol Police; (3) the Congressional Budget Office; (4) the Office of the Architect of the Capitol; (5) the Office of the Attending Physician; (6) the Office of Compliance; or (7) the Office of Technology Assessment.

(e) *Employing office* and *employer* mean (1) the personal office of a Senator; (2) a committee of the Senate or a joint committee; or (3) any other office headed by a person with the final authority to appoint, hire, discharge, and set the terms, conditions, or privileges of the employment of an employee of the Senate.

(f) *Board* means the Board of Directors of the Office of Compliance.

(g) *Office* means the Office of Compliance.

(h) *Intern* is an individual who (a) is performing services in an employing office as part of a demonstrated educational plan, and (b) is appointed on a temporary basis for a period not to exceed 12 months; *provided* that if an intern is appointed for a period shorter than 12 months, the intern may be reappointed for additional periods as long as the total length of the internship does not exceed 12 months; *provided further* that an intern for purposes of section 203(a)(2) of the CAA also includes an individual who is a senior citizen appointed under S. Res. 219 (May 5, 1978, as amended by S. Res. 96, April 9, 1991), but does not include volunteers, fellows or pages.

§ S501.103 Coverage.

The coverage of Section 203 of the CAA extends to any covered employee of an employing office without regard to whether the covered employee is engaged in commerce or the production of goods for interstate commerce and without regard to size, number of employees, amount of business transacted, or other measure.

§S501.104 Administrative authority.

(a) The Office of Compliance is authorized to administer the provisions of Section 203 of the Act with respect to any covered employee or covered employer.

(b) The Board is authorized to promulgate substantive regulations in accordance with the provisions of Sections 203(c) and 304 of the CAA.

§ S501.105 Effect of Interpretation of the Department of Labor.

(a) In administering the FLSA, the Wage and Hour Division of the Department of Labor has issued not only substantive regulations but also interpretative bulletins. Substantive regulations represent an exercise of statutory-delegated lawmaking authority from the legislative branch to an administrative agency. Generally, they are proposed in accordance with the notice-and-comment procedures of the Administrative Procedure Act (APA), 5 U.S.C. §553. Once promulgated, such regulations are considered to have the force and effect of law, unless set aside upon judicial review as arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. See *Batterton* v. *Francis*, 432 U.S. 416, 425 n.9 (1977). See also 29 CFR §790.17(b) (1994). Unlike substantive regulations, interpretative statements, including bulletins and other releases of the Wage and Hour Division, are not issued pursuant to the provisions of the APA and may not have the force and effect of law. Rather, they may only constitute official interpretations of the Department of Labor with respect to the meaning and application of the minimum wage, maximum hour, and overtime pay requirements of the FLSA. See 29 C.F.R. §790.17(c) (citing Final Report of the Attorney General's Committee on Administrative Procedure, Senate Document No. 8, 77th Cong., 1st Sess., at p. 27 (1941)). The purpose of such statements is to make available in one place the interpretations of the FLSA which will guide the Secretary of Labor and the Wage and Hour Administrator in the performance of their duties unless and until they are otherwise directed by authoritative decisions of the courts or conclude, upon reexamination of an interpretation, that it is incorrect. The Supreme Court has observed: ''[T]he rulings, interpretations and opinions of the Administrator under this Act, while not controlling upon the courts by reason of their authority, do constitute a body of experience and informed judgment to which courts and litigants may properly resort for guidance. The weight of such a judgment in a particular case will depend upon the thoroughness evident in the consideration, the validity of its reasoning, its consistency with earlier and later pronouncements, and all those factors which give it power to persuade, if lacking power to control,'' *Skidmore* v. *Swift*, 323 U.S. 134, 140 (1944).

(b) Section 203(c) of the CAA provides that the substantive regulations implementing Section 203 of the CAA shall be ''the same as substantive regulations promulgated by the Secretary of Labor'' except where the Board finds, for good cause shown, that a modification would more effectively implement the rights and protections established by the FLSA. Thus, the CAA by its terms does not mandate that the Board adopt the interpretative statements of the Department of Labor or its Wage and Hour Division. The Board is thus not adopting such statements as part of its substantive regulations.

§ S501.106 Application of the Portal-to-Portal Act of 1947.

(a) Consistent with Section 225 of the CAA, the Portal to Portal Act (PPA), 29 U.S.C. §§216 and 251 *et seq.*, is applicable in defining and delimiting the rights and protections of the FLSA that are prescribed by the CAA. Section 10 of the PPA, 29 U.S.C. §259, provides in pertinent part: ''[N]o employer shall

be subject to any liability or punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, . . . if he pleads and proves that the act of omission complained of was in good faith in conformity with and reliance on any written administrative regulation, order, ruling, approval or interpretation of [the Administrator of the Wage and Hour Division of the Department of Labor] . . . or any administrative practice or enforcement policy of such agency with respect to the class of employers to which he belonged. Such a defense, if established shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.''

(b) In defending any action or proceeding based on any act or omission arising out of section 203 of the CAA, an employing office may satisfy the standards set forth in subsection (a) by pleading and proving good faith reliance upon any written administrative regulation, order, ruling, approval or interpretation, of the Administrator of the Wage and Hour Division of the Department of Labor: *Provided,* that such regulation, order, ruling approval or interpretation had not been superseded at the time or reliance by any regulation, order, decision, or ruling of the Board or the courts.

§ S501.107 Duration of interim regulations.

These interim regulations for the House, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

Part S531—Wage Payments Under the Fair Labor Standards Act of 1938

Subpart A—Preliminary matters

Sec.
S. 531.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
S. 531.1 Definitions.
S. 531.2 Purpose and scope.

Subpart B—Determinations of ''reasonable costs;'' effects of collective bargaining agreements

S. 531.3 General determinations of 'reasonable cost'.
S. 531.6 Effects of collective bargaining agreements.

Subpart A—Preliminary matters

§ S531.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

The following table lists the sections of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor Regulations	*OC Regulations*
531.1 Defintions	S531.1
531.2 Purpose and scope	S531.2
531.3 General determinations of ''reasonable cost''	S531.3
531.6 Effects of collective bargaining agreements	S531.6

§ S531.1 Definitions.

(a) *Administrator* means the Administrator of the Wage and Hour Division or his authorized representative. The Secretary of Labor has delegated to the Administrator the functions vested in him under section 3(m) of the Act.

(b) *Act* means the Fair Labor Standards Act of 1938, as amended.

§ S531.2 Purpose and scope.

(a) Section 3(m) of the Act defines the term 'wage' to include the 'reasonable cost', as determined by the Secretary of Labor, to an employer of furnishing any employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by the employer to his employees. In addition, section 3(m) gives the Secretary authority to determine the 'fair value.' of such facilities on the basis of average cost to the employer or to groups of employers similarly situated, on average value to groups of employees, or other appropriate measures of 'fair value.' Whenever so determined and when applicable and pertinent, the 'fair value' of the facilities involved shall be includable as part of 'wages' instead of the actual measure of the costs of those facilities. The section provides, however, the cost of board, lodging, or other facilities shall not be included as part of 'wages' if excluded therefrom by a bona fide collective bargaining agreement. Section 3(m) also provides a method for determining the wage of a tipped employee.

(b) This part 531 contains any determinations made as to the 'reasonable cost' and 'fair value' of board, lodging, or other facilities have general application.

Subpart B—Determinations of ''reasonable cost'' and ''fair value''; effects of collective bargaining agreements

§ S531.3 General determinations of 'reasonable cost'

(a) The term *reasonable cost* as used in section 3(m) of the Act is hereby determined to be not more than the actual cost to the employer of the board, lodging, or other facilities customarily furnished by him to his employees.

(b) Reasonable cost does not include a profit to the employer or to any affiliated person.

(c) The reasonable cost to the employer of furnishing the employee with board, lodging, or other facilities (including housing) is the cost of operation and maintenance including adequate depreciation plus a reasonable allowance (not more than 5½ percent) for interest on the depreciated amount of capital invested by the employer: *Provided,* That if the total so computed is more than the fair rental value (or the fair price of the commodities or facilities offered for sale), the fair rental value (or the fair price of the commodities or facilities offered for sale) shall be the reasonable cost. The cost of operation and maintenance, the rate of depreciation, and the depreciated amount of capital invested by the employer shall be those arrived at under good accounting practices. As used in this paragraph, the term *good accounting practices* does not include accounting practices which have been rejected by the Internal Revenue Service for tax purposes, and the term *depreciation* includes obsolescence.

(d)(1) The cost of furnishing 'facilities' found by the Administrator to be primarily for the benefit or convenience of the employer will not be recognized as reasonable and may not therefore be included in computing wages.

(2) The following is a list of facilities found by the Administrator to be primarily for the benefit of convenience of the employer. The list is intended to be illustrative rather than exclusive: (i) Tools of the trade and other materials and services incidental to carrying on the employer's business; (ii) the cost of any construction by and for the employer; (iii) the cost of uniforms and of their laundering, where the nature of the business requires the employee to wear a uniform.

§ S531.6 Effects of collective bargaining agreements

(a) The cost of board, lodging, or other facilities shall not be included as part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide collective bargaining agreement applicable to the particular employee.

(b) A collective bargaining agreement shall be deemed to be ''bona fide'' when pursuant to the provisions of section 7(b)(1) or 7(b)(2) of the FLSA it is made with the certified representative of the employees under the provisions of the CAA.

Part S541—Defining and Delimiting the Terms ''Bona Fide Executive,'' ''Administrative,'' or ''Professional'' Capacity (Including Any Employee Employed in the Capacity of Academic Administrative Personnel or Teacher in Secondary School)

Subpart A—General regulations

Sec.
S541.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
S541.01 Application of the exemptions of section 13(a)(1) of the FLSA.
S541.1 Executive.
S541.2 Administrative.
S541.3 Professional.
S541.5b Equal pay provisions of section 6(d) of the FLSA as applied by the CAA extend to executive, administrative, and professional employees.
S541.5d Special provisions applicable to employees of public agencies.

Subpart A—General regulations

§ S541.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under section 203 of the CAA:

Secretary of Labor Regulations	*OC Regulations*
541.1 Executive	S541.1
541.2 Administrative	S541.2
541.3 Professional	S541.3
541.5b Equal pay provisions of section 6(d) of the FLSA apply to executive, administrative, and professional employees	S541.5b
541.5d Special provisions applicable to employees of public agencies	S541.5d

§ S541.01 Application of the exemptions of section 13 (a)(1) of the FLSA

(a) Section 13(a)(1) of the FLSA, which provides certain exemptions for employees employed in a bona fide executive, administrative, or professional capacity (including any employee employed in a capacity of academic administrative personnel or teacher in a secondary school), applies to covered employees by virtue of Section 225(f)(1) of the CAA.

(b) The substantive regulations set forth in this part are promulgated under the authority of sections 203(c) and 304 of the CAA, which require that such regulations be the same as the substantive regulations promulgated by the Secretary of Labor except

where the Board determines for good cause shown that modifications would be more effective for the implementation of the rights and protections under § 203.

§ S541.1 Executive

The term employee employed in a bona fide executive * * * capacity in section 13(a)(1) of the FSLA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of the management of an employing office in which he is employed or of a customarily recognized department or subdivision thereof; and

(b) Who customarily and regularly directs the work of two or more other employees therein; and

(c) Who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring or firing and as to the advancement and promotion or any other change of status of other employees will be given particular weight; and

(d) Who customarily and regularly exercises discretionary powers; and

(e) Who does not devote more than 20 percent, or, in the case of an employee of a retail or service establishment who does not devote as much as 40 percent, of his hours of work in the workweek to activities which are not directly and closely related to the performance of the work described in paragraphs (a) through (d) of this section: *Provided,* That this paragraph shall not apply in the case of an employee who is in sole charge of an independent establishment or a physically separated branch establishment; and

(f) Who is compensated for his services on a salary basis at a rate of not less than $155 per week, exclusive of board, lodging or other facilities: *Provided,* That an employee who is compensated on a salary basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the management of the employing office in which the employee is employed or of a customarily recognized department or subdivision thereof, and includes the customary and regular direction of work of two or more other employees therein, shall be deemed to meet all the requirements of this section

§ S541.2 Administrative

The term *employee employed in a bona fide* * * * *administrative* * * * *capacity* in section 13(a)(1) of the FLSA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of either:

(1) The performance of office or nonmanual work directly related to management policies or general operations of his employer or his employer's customers, or

(2) The performance of functions in the administration of a school system, or educational establishment or institution, or of a department or subdivision thereof, in work directly related to the academic instruction or training carried on therein; and

(b) Who customarily and regularly exercises discretion and independent judgment; and

(c)(1) Who regularly and directly assists the head of an employing office, or an employee employed in a bona fide executive or administrative capacity (as such terms are defined in the regulations of this subpart), or

(2) Who performs under only general supervision work along specialized or technical lines requiring special training, experience, or knowledge, or

(3) Who executes under only general supervision special assignments and tasks; and

(d) Who does not devote more than 20 percent, or, in the case of an employee of a retail or service establishment who does not devote as much as 40 percent, of his hours worked in the workweek to activities which are not directly and closely related to the performance of the work described in paragraphs (a) through (c) of this section; and

(e)(1) Who is compensated for his services on a salary or fee basis at a rate of not less than $155 per week, exclusive of board, lodging or other facilities, or

(2) Who, in the case of academic administrative personnel, is compensated for services as required by paragraph (e)(1) of this section, or on a salary basis which is at least equal to the entrance salary for teachers in the school system, educational establishment or institution by which employed: *Provided,* That an employee who is compensated on a salary or fee basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the performance of work described in paragraph (a) of this section, which includes work requiring the exercise of discretion and independent judgment, shall be deemed to meet all the requirements of this section.

§ S541.3 Professional

The term *employee employed in a bona fide* * * * *professional capacity* in section 13(a)(1) of the FLSA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of the performance of:

(1) Work requiring knowledge of an advance type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study, as distinguished from a general academic education and from an apprenticeship, and from training in the performance of routine mental, manual, or physical processes, or

(2) Work that is original and creative in a recognized field of artistic endeavor (as opposed to work which can be produced by a person endowed with general manual or intellectual ability and training), and the result of which depends primarily on the invention, imagination, or talent of the employee, or

(3) Teaching, tutoring, instructing, or lecturing in the activity of imparting knowledge and who who is employed and engaged in this activity as a teacher in the school system, educational establishment or institution by which employed, or

(4) Work that requires theoretical and practical application of highly-specialized knowledge in computer systems analysis, programming, and software engineering, and who is employed and engaged in these activities as a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker in the computer software field; and

(b) Whose work requires the consistent exercise of discretion and judgment in its performance; and

(c) Whose work is predominantly intellectual and varied in character (as opposed to routine mental, manual, mechanical, or physical work) and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and

(d) Who does not devote more than 20 percent of his hours worked in the workweek to activities which are not an essential part of and necessarily incident to the work described in paragraphs (a) through (c) of this section; and

(e) Who is compensated for services on a salary or fee basis at a rate of not less than $170 per week, exclusive of board, lodging or other facilities: *Provided,* That this paragraph shall not apply in the case of an employee who is the holder of a valid license or certificate permitting the practice of law or medicine or any of their branches and who is actually engaged in the practice thereof, nor in the case of an employee who is the holder of the requisite academic degree for the general practice of medicine and is engaged in an internship or resident program pursuant to the practice of medicine or any of its branches, nor in the case of an employee employed and engaged as a teacher as provided in paragraph (as)(3) of this section: *Provided further,* That an employee who is compensated on a salary or fee basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the performance either of work described in paragraph (a)(1), (3), or (4) of this section, which includes work requiring the consistent exercise of discretion and judgment, or of work requiring invention, imagination, or talent in a recognized field of artistic endeavor, shall be deemed to meet all of the requirements of this section: *Provided further,* That the salary or fee requirements of this paragraph shall not apply to an employee engaged in computer-related work within the scope of paragraph (a)(4) of this section and who is compensated on an hourly basis at a rate in excess of 6½ times the minimum wage provided by section 6 of the FLSA as applied by the CAA.

§ S541.5b Equal pay provisions of section 6(d) of the FLSA as applied by the CAA extend to executive, administrative, and professional employees

The FLSA, as amended and as applied by the CAA, includes within the protection of the equal pay provisions those employees exempt from the minimum wage and overtime pay provisions as bona fide executive, administrative, and professional employees (including any employee employed in the capacity of academic administrative personnel or teacher in elementary or secondary schools) under section 13(a)(1) of the FLSA. Thus, for example, where an exempt administrative employee and another employee of the employing office are performing substantially ''equal work,'' the sex discrimination prohibitions of section 6(d) are applicable with respect to any wage differential between those two employees.

§ S541.5d Special provisions applicable to employees of public agencies

(a) An employee of a public agency who otherwise meets the requirement of being paid on a salary basis shall not be disqualified from exemption under Sec. S541.1, S541.2, or S541.3 on the basis that such employee is paid according to a pay system established by statute, ordinance, or regulation, or by a policy for practice established pursuant to principles of public accountability, under which the employee accrues personal leave and sick leave and which requires the public agency employee's pay to be reduced or such employee to be placed on leave without pay for absences for personal reasons or because of illness or injury of less than one work-day when accrued leave is not used by an employee because—

(1) permission for its use has not been sought or has been sought and denied;

(2) accrued leave has been exhausted; or

(3) the employee chooses to use leave without pay.

(b) Deductions from the pay for an employee of a public agency for absences due to a budget-required furlough shall not disqualify the employee from being paid 'on a salary basis' except in the workweek in which the furlough occurs and for which the employee's pay is accordingly reduced.

Part S547—Requirements of a ''Bona Fide Thrift or Savings Plan''

Sec.

S547.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

S547.0 Scope and effect of part.
S547.1 Essential requirements of qualifications.
S547.2 Disqualifying provisions.

§ S547.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor Regulations	*OC Regulations*
547.0 Scope and effect of part	S547.0
547.1 Essential requirements of qualifications	S547.1
547.2 Disqualifying provisions	S547.2

§ S547.0 Scope and effect of part

(a) The regulations in this part set forth the requirements of a ''bona fide thrift or savings plan'' under section 7(3)(e)(b) of the Fair Labor Standards Act of 1938, as amended (FLSA), as applied by the CAA. In determining the total remuneration for employment which section 7(e) of the FLSA requires to be included in the regular rate at which an employee is employed, it is not necessary to include any sums paid to or on behalf of such employee, in recognition of services performed by him during a given period, which are paid pursuant to a bona fide thrift or savings plan meeting the requirements set forth herein. In the formulation of these regulations due regard has been given to the factors and standards set forth in section 7(e)(3)(b) of the Act.

(b) Where a thrift or savings plan is combined in a single program (whether in one or more documents) with a plan or trust for providing old age, retirement, life, accident or health insurance or similar benefits for employees, contributions made by the employer pursuant to such thrift or savings plan may be excluded from the regular rate if the plan meets the requirements of the regulation in this part and the contributions made for the other purposes may be excluded from the regular rate if they meet the tests set forth in regulations.

§ S547.1 Essential requirements for qualifications

(a) A ''bona fide thrift or savings plan'' for the purpose of section 7(e)(3)(b) of the FLSA as applied by the CAA is required to meet all the standards set forth in paragraphs (b) through (f) of this section and must not contain the disqualifying provisions set forth in § S547.2.

(b) The thrift or savings plan constitutes a definite program or arrangement in writing, adopted by the employer or by contract as a result of collective bargaining and communicated or made available to the employees, which is established and maintained, in good faith, for the purpose of encouraging voluntary thrift or savings by employees by providing an incentive to employees to accumulate regularly and retain cash savings for a reasonable period of time or to save through the regular purchase of public or private securities.

(c) The plan specifically shall set forth the category or categories of employees participating and the basis of their eligibility. Eligibility may not be based on such factors as hours of work, production, or efficiency of the employees: *Provided, however,* That hours of work may be used to determine eligibility of part-time or casual employees.

(d) The amount any employee may save under the plan shall be specified in the plan or determined in accordance with a definite formula specified in the plan, which formula may be based on one or more factors such as the straight-time earnings or total earnings, base rate of pay, or length of service of the employee.

(e) The employer's total contribution in any year may not exceed 15 percent of the participating employees' total earnings during that year. In addition, the employer's total contribution in any year may not exceed the total amount saved or invested by the participating employees during that year.

(f) The employer's contributions shall be apportioned among the individual employees in accordance with a definite formula or method of calculation specified in the plan, which formula or method of calculation is based on the amount saved or the length of time the individual employee retains his savings or investment in the plan. *Provided,* That no employee's share determined in accordance with the plan may be diminished because of any other remuneration received by him.

§ S547.2 Disqualifying provisions

(a) No employee's participation in the plan shall be on other than a voluntary basis.

(b) No employee's wages or salary shall be dependent upon or influenced by the existence of such thrift or savings plan or the employer's contributions thereto.

(c) The amounts any employee may save under the plan, or the amounts paid by the employer under the plan may not be based upon the employee's hours of work, production or efficiency.

Part S553—Overtime Compensation: Partial Exemption for Employees Engaged in Law Enforcement and Fire Protection; Overtime and Compensatory Time-Off for Employees Whose Work Schedule Directly Depends Upon the Schedule of the House

Introduction

Sec.
S553.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
S553.1 Definitions
S553.2 Purpose and scope

Subpart C—Partial exemption for employees engaged in law enforcement and fire protection

S553.201 Statutory provisions: section 7(k).
S553.202 Limitations.
S553.211 Law enforcement activities.
S553.212 Twenty percent limitation on nonexempt work.
S553.213 Public agency employees engaged in both fire protection and law enforcement activities.
S553.214 Trainees.
S553.215 Ambulance and rescue service employees.
S553.216 Other exemptions.
S553.220 ''Tour of duty'' defined.
S553.221 Compensable hours of work.
S553.222 Sleep time.
S553.223 Meal time.
S553.224 ''Work period'' defined.
S553.225 Early relief.
S553.226 Training time.
S553.227 Outside employment.
S553.230 Maximum hours standard for work periods of 7 to 28 days—section 7(k).
S553.231 Compensatory time off.
S553.232 Overtime pay requirements.
S553.233 ''Regular rate'' defined.

Subpart D—Compensatory time-off for overtime earned by employees whose work schedule directly depends upon the schedule of the House

S553.301 Definiton of ''directly depends.''
S553.302 Overtime compensation and compensatory time off for an employee whose work schedule directly depends upon the schedule of the House.
S553.303 Using compensatory time off.
S553.304 Payment of overtime compensation for accrued compensatory time off as of termination of service.

Introduction

§ S553.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor Regulations	*OC Regulations*
553.1 Definitions	S553.1
553.2 Purpose and scope	S553.2
553.201 Statutory provisions section 7(k)	S553.201
553.202 Limitations	S553.202
553.211 Law enforcement activities	S553.211
553.212 Twenty percent limitation on nonexempt work	S553.212
553.213 Public agency employees engaged in both fire protection and law enforcement activities	S553.213
553.214 Trainees	S553.214
553.215 Ambulance and rescue service employees	S553.215
553.216 Other exemptions	S553.216
553.220 ''Tour of duty'' defined	S553.220
553.221 Compensable hours of work	S553.221
553.222 Sleep time	S553.222
553.223 Meal time	S553.223
553.224 ''Work period'' defined	S553.224
553.225 Early relief	S553.225
553.226 Training time	S553.226
553.227 Outside employment	S553.227
553.230 Maximum hours standard for work periods of 7 to 28 days—section 7(k)	S553.230
553.231 Compensatory time off	S553.231
553.232 Overtime pay requirements	S553.232
553.233 ''Regular rate'' defined	S553.233

Introduction

§ S553.1 Definitions

(a) Act or FLSA means the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201–219), as applied by the CAA.

(b) 1985 Amendments means the Fair Labor Standards Amendments of 1985 (Pub. L. 99–150).

(c) Public agency means an employing office as the term is defined in § __ 501.102 of this chapter, including the Capitol Police.

(d) Section 7(k) means the provisions of § 7(k) of the FLSA as applied to covered employees and employing offices by § 203 of the CAA.

§ S553.2 Purpose and scope

The purpose of part S553 is to adopt with appropriate modifications the regulations of the Secretary of Labor to carry out those provisions of the FLSA relating to public agency employees as they are applied to covered employees and employing offices of the CAA. In particular, these regulations apply section 7(k) as it relates to fire protection and law enforcement employees of public agencies.

Subpart C—Partial Exemption for Employees Engaged in Law Enforcement and Fire Protection

§ S553.201 Statutory provisions: section 7(k)

Section 7(k) of the Act provides a partial overtime pay exemption for fire protection and law enforcement personnel (including security personnel in correctional institutions) who are employed by public agencies on a work period basis. This section of the Act

formerly permitted public agencies to pay overtime compensation to such employees in work periods of 28 consecutive days only after 216 hours of work. As further set forth in § S553.230 of this part, the 216-hour standard has been replaced, pursuant to the study mandated by the statute, by 212 hours for fire protection employees and 171 hours for law enforcement employees. In the case of such employees who have a work period of at least 7 but less than 28 consecutive days, overtime compensation is required when the ratio of the number of hours worked to the number of days in the work period exceeds the ratio of 212 (or 171) hours to 28 days.

§ S553.202 Limitations

The application of § 7(k), by its terms, is limited to public agencies, and does not apply to any private organization engaged in furnishing fire protection or law enforcement services. This is so even if the services are provided under contract with a public agency.

Exemption requirements

§ S553.211 Law enforcement activities

(a) As used in § 7(k) of the Act, the term 'any employee . . . in law enforcement activities' refers to any employee (1) who is a uniformed or plainclothed member of a body of officers and subordinates who are empowered by law to enforce laws designed to maintain public peace and order and to protect both life and property from accidental or willful injury, and to prevent and detect crimes, (2) who has the power to arrest, and (3) who is presently undergoing or has undergone or will undergo on-the-job training and/or a course of instruction and study which typically includes physical training, self-defense, firearm proficiency, criminal and civil law principles, investigative and law enforcement techniques, community relations, medical aid and ethics.

(b) Employees who meet these tests are considered to be engaged in law enforcement activities regardless of their rank, or of their status as ''trainee,'' ''probationary,'' or ''permanent,'' and regardless of their assignment to duties incidental to the performance of their law enforcement activities such as equipment maintenance, and lecturing, or to support activities of the type described in paragraph (g) of this section, whether or not such assignment is for training or familiarization purposes, or for reasons of illness, injury or infirmity. The term would also include rescue and ambulance service personnel if such personnel form an integral part of the public agency's law enforcement activities. See Sec. S553.215.

(c) Typically, employees engaged in law enforcement activities include police who are regularly employed and paid as such. Other agency employees with duties not specifically mentioned may, depending upon the particular facts and pertinent statutory provisions in that jurisdiction, meet the three tests described above. If so, they will also qualify as law enforcement officers. Such employees might include, for example, any law enforcement employee within the legislative branch concerned with keeping public peace and order and protecting life and property.

(d) Employees who do not meet each of the three tests described above are not engaged in 'law enforcement activities' as that term is used in sections 7(k). Employees who normally would not meet each of these tests include:

(1) Building inspectors (other than those defined in Sec. S553.213(a)),

(2) Health inspectors,

(3) Sanitarians,

(4) Civilian traffic employees who direct vehicular and pedestrian traffic at specified intersections or other control points,

(5) Civilian parking checkers who patrol assigned areas for the purpose of discovering parking violations and issuing appropriate warnings or appearance notices,

(6) Wage and hour compliance officers,

(7) Equal employment opportunity compliance officers, and

(8) Building guards whose primary duty is to protect the lives and property of persons within the limited area of the building.

(e) The term ''any employee in law enforcement activities'' also includes, by express reference, ''security personnel in correctional institutions.'' Typically, such facilities may include precinct house lockups. Employees of correctional institutions who qualify as security personnel for purposes of the section 7(k) exemption are those who have responsibility for controlling and maintaining custody of inmates and of safeguarding them from other inmates or for supervising such functions, regardless of whether their duties are performed inside the correctional institution or outside the institution. These employees are considered to be engaged in law enforcement activities regardless of their rank or of their status as ''trainee,'' ''probationary,'' or ''permanent,'' and regardless of their assignment to duties incidental to the performance of their law enforcement activities, or to support activities of the type described in paragraph (f) of this section, whether or not such assignment is for training or familiarization purposes or for reasons of illness, injury or infirmity.

(f) Not included in the term ''employee in law enforcement activities'' are the so-called ''civilian'' employees of law enforcement agencies or correctional institutions who engage in such support activities as those performed by dispatcher, radio operators, apparatus and equipment maintenance and repair workers, janitors, clerks and stenographers. Nor does the term include employees in correctional institutions who engage in building repair and maintenance, culinary services, teaching, or in psychological, medical and paramedical services. This is so even though such employees may, when assigned to correctional institutions, come into regular contact with the inmates in the performance of their duties.

§ S553.212 Twenty percent limitation on nonexempt work

(a) Employees engaged in fire protection or law enforcement activities as described in Secs. S553.210 and S553.211, may also engage in some nonexempt work which is not performed as an incident to or in conjunction with their fire protection or law enforcement activities. For example, firefighters who work for forest conservation agencies may, during slack times, plant trees and perform other conservation activities unrelated to their firefighting duties. The performance of such nonexempt work will not defeat the § 7(k) exemption unless it exceeds 20 percent of the total hours worked by that employee during the workweek or applicable work period. A person who spends more than 20 percent of his/her working time in nonexempt activities is not considered to be an employee engaged in fire protection or law enforcement activities for purposes of this part.

(b) Public agency fire protection and law enforcement personnel may, at their own option, undertake employment for the same employer on an occasional or sporadic and part-time basis in a different capacity from their regular employment. The performance of such work does not affect the application of the § 7(k) exemption with respect to the regular employment. In addition, the hours of work in the different capacity need not be counted as hours worked for overtime purposes on the regular job, nor are such hours counted in determining the 20 percent tolerance for nonexempt work discussed in paragraph (a) of this section.

§ S553.213 Public agency employees engaged in both fire protection and law enforcement activities

(a) Some public agencies have employees (often called ''public safety officers'') who engage in both fire protection and law enforcement activities, depending on the agency needs at the time. This dual assignment would not defeat the section 7(k) exemption, provided that each of the activities performed meets the appropriate tests set forth in Secs. S553.210 and S553.211. This is so regardless of how the employee's time is divided between the two activities. However, all time spent in nonexempt activities by public safety officers within the work period, whether performed in connection with fire protection or law enforcement functions, or with neither, must be combined for purposes of the 20 percent limitation on nonexempt work discussed in Sec. S553.212.

(b) As specified in Sec. S553.230, the maximum hours standards under section 7(k) are different for employees engaged in fire protection and for employees engaged in law enforcement. For those employees who perform both fire protection and law enforcement activities, the applicable standard is the one which applies to the activity in which the employee spends the majority of work time during the work period.

§ S553.214 Trainees

The attendance at a bona fide fire or police academy or other training facility, when required by the employing agency, constitutes engagement in activities under section 7(k) only when the employee meets all the applicable tests described in Sec. S553.210 or Sec. S553.211 (except for the power of arrest for law enforcement personnel), as the case may be. If the applicable tests are met, then basic training or advanced training is considered incidental to, and part of, the employee's fire protection or law enforcement activities.

§ S553.215 Ambulance and rescue service employees

Ambulance and rescue service employees of a public agency other than a fire protection or law enforcement agency may be treated as employees engaged in fire protection or law enforcement activities of the type contemplated by § 7(k) if their services are substantially related to firefighting or law enforcement activities in that (1) the ambulance and rescue service employees have received training in the rescue of fire, crime, and accident victims or firefighters or law enforcement personnel injured in the performance of their respective, duties, and (2) the ambulance and rescue service employees are regularly dispatched to fires, crime scenes, riots, natural disasters and accidents. As provided in Sec. S553.213(b), where employees perform both fire protection and law enforcement activities, the applicable standard is the one which applies to the activity in which the employee spends the majority of work time during the work period.

§ S553.216 Other exemptions

Although the 1974 Amendments to the FLSA as applied by the CAA provide special exemptions for employees of public agencies engaged in fire protection and law enforcement activities, such workers may also be subject to other exemptions in the Act, and public agencies may claim such other applicable exemptions in lieu of § 7(k). For example, section 13(a)(1) as applied by the CAA provides a complete minimum wage and overtime pay exemption for any employee employed in a bona fide executive, administrative, or professional capacity, as those terms are defined and delimited in Part S541.

The section 13(a)(1) exemption can be claimed for any fire protection or law enforcement employee who meets all of the tests specified in part S541 relating to duties, responsibilities, and salary. Thus, high ranking police officials who are engaged in law enforcement activities, may also, depending on the facts, qualify for the section 13(a)(1) exemption as ''executive'' employees. Similarly, certain criminal investigative agents may qualify as ''administrative'' employees under section 13(a)(1).

Tour of duty and compensable hours of work rules

§ S553.220 ''Tour of duty'' defined

(a) The term ''tour of duty'' is a unique concept applicable only to employees for whom the section 7(k) exemption is claimed. This term, as used in section 7(k), means the period of time during which an employee is considered to be on duty for purposes of determining compensable hours. It may be a scheduled or unscheduled period. Such periods include ''shifts'' assigned to employees often days in advance of the performance of the work. Scheduled periods also include time spent in work outside the ''shift'' which the public agency employer assigns. For example, a police officer may be assigned to crowd control during a parade or other special event outside of his or her shift.

(b) Unscheduled periods include time spent in court by police officers, time spent handling emergency situations, and time spent working after a shift to complete an assignment. Such time must be included in the compensable tour of duty even though the specific work performed may not have been assigned in advance.

(c) The tour of duty does not include time spent working for a separate and independent employer in certain types of special details as provided in Sec. S553.227.

§ S553.221 Compensable hours of work

(a) The rules under the FLSA as applied by the CAA on compensable hours of work are applicable to employees for whom the section 7(k) exemption is claimed. Special rules for sleep time (Sec. S553.222) apply to both law enforcement and firefighting employees for whom the section 7(k) exemption is claimed. Also, special rules for meal time apply in the case of firefighters (Sec. S553.223).

(b) Compensable hours of work generally include all of the time during which an employee is on duty on the employer's premises or at a prescribed workplace, as well as all other time during which the employee is suffered or permitted to work for the employer. Such time includes all pre-shift and post-shift activities which are an integral part of the employee's principal activity or which are closely related to the performance of the principal activity, such as attending roll call, writing up and completing tickets or reports, and washing and re-racking fire hoses.

(c) Time spent away from the employer's premises under conditions that are so circumscribed that they restrict the employee from effectively using the time for personal pursuits also constitutes compensable hours of work. For example, where a police station must be evacuated because of an electrical failure and the employees are expected to remain in the vicinity and return to work after the emergency has passed, the entire time spent away from the premises is compensable. The employees in this example cannot use the time for their personal pursuits.

(d) An employee who is not required to remain on the employer's premises but is merely required to leave word at home or with company officials where he or she may be reached is not working while on call. Time spent at home on call may or may not be compensable depending on whether the restrictions placed on the employee preclude using the time for personal pursuits. Where, for example, a firefighter has returned home after the shift, with the understanding that he or she is expected to return to work in the event of an emergency in the night, such time spent at home is normally not compensable. On the other hand, where the conditions placed on the employee's activities are so restrictive that the employee cannot use the time effectively for personal pursuits, such time spent on call is compensable.

(e) Normal home to work travel is not compensable, even where the employee is expected to report to work at a location away from the location of the employer's premises.

(f) A police officer, who has completed his or her tour of duty and who is given a patrol car to drive home and use on personal business, is not working during the travel time even where the radio must be left on so that the officer can respond to emergency calls. Of course, the time spent in responding to such calls is compensable.

§ S553.222 Sleep time

(a) Where a public agency elects to pay overtime compensation to firefighters and/or law enforcement personnel in accordance with section 7(a)(1) of the Act, the public agency may exclude sleep time from hours worked if all the conditions for the exclusion of such time are met.

(b) Where the employer has elected to use the section 7(k) exemption, sleep time cannot be excluded from the compensable hours of work where

(1) The employee is on a tour of duty of less than 24 hours, and

(2) Where the employee is on a tour of duty of exactly 24 hours.

(c) Sleep time can be excluded from compensable hours of work, however, in the case of police officers or firefighters who are on a tour of duty of more than 24 hours, but only if there is an expressed or implied agreement between the employer and the employees to exclude such time. In the absence of such an agreement, the sleep time is compensable. In no event shall the time excluded as sleep time exceed 8 hours in a 24-hour period. If the sleep time is interrupted by a call to duty, the interruption must be counted as hours worked. If the sleep period is interrupted to such an extent that the employee cannot get a reasonable night's sleep (which, for enforcement purposes means at least 5 hours), the entire time must be counted as hours of work.

§ S553.223 Meal time

(a) If a public agency elects to pay overtime compensation to firefighters and law enforcement personnel in accordance with section 7(a)(1) of the Act, the public agency may exclude meal time from hours worked if all the statutory tests for the exclusion of such time are met.

(b) If a public agency elects to use the section 7(k) exemption, the public agency may, in the case of law enforcement personnel, exclude meal time from hours worked on tours of duty of 24 hours or less, provided that the employee is completely relieved from duty during the meal period, and all the other statutory tests for the exclusion of such time are met. On the other hand, where law enforcement personnel are required to remain on call in barracks or similar quarters, or are engaged in extended surveillance activities (e.g., stakeouts'), they are not considered to be completely relieved from duty, and any such meal periods would be compensable.

(c) With respect to firefighters employed under section 7(k), who are confined to a duty station, the legislative history of the Act indicates Congressional intent to mandate a departure from the usual FLSA ''hours of work'' rules and adoption of an overtime standard keyed to the unique concept of 'tour of duty' under which firefighters are employed. Where the public agency elects to use the section 7(k) exemption for firefighters, meal time cannot be excluded from the compensable hours of work where (1) the firefighter is on a tour of duty of less than 24 hours, and (2) where the firefighter is on a tour of duty of exactly 24 hours.

(d) In the case of police officers or firefighters who are on a tour of duty of more than 24 hours, meal time may be excluded from compensable hours of work provided that the statutory tests for exclusion of such hours are met.

§ S553.224 ''Work period'' defined

(a) As used in section 7(k), the term ''work period'' refers to any established and regularly recurring period of work which, under the terms of the Act and legislative history, cannot be less than 7 consecutive days nor more than 28 consecutive days. Except for this limitation, the work period can be of any length, and it need not coincide with the duty cycle or pay period or with a particular day of the week or hour of the day. Once the beginning and ending time of an employee's work period is established, however, it remains fixed regardless of how many hours are worked within the period. The beginning and ending of the work period may be changed, provided that the change is intended to be permanent and is not designed to evade the overtime compensation requirements of the Act.

(b) An employer may have one work period applicable to all employees, or different work periods for different employees or groups of employees.

§ S553.225 Early relief

It is a common practice among employees engaged in fire protection activities to relieve employees on the previous shift prior to the scheduled starting time. Such early relief time may occur pursuant to employee agreement, either expressed or implied. This practice will not have the effect of increasing the number of compensable hours of work for employees employed under section 7(k) where it is voluntary on the part of the employees and does not result, over a period of time, in their failure to receive proper compensation for all hours actually worked. On the other hand, if the practice is required by the employer, the time involved must be added to the employee's tour of duty and treated as compensable hours of work.

§ S553.226 Training time

(a) The general rules for determining the compensability of training time under the FLSA apply to employees engaged in law enforcement or fire protection activities.

(b) While time spent in attending training required by an employer is normally considered compensable hours of work, following are situations where time spent by employees in required training is considered to be noncompensable:

(1) Attendance outside of regular working hours at specialized or follow-up training, which is required by law for certification of public and private sector employees within a particular governmental jurisdiction (e.g., certification of public and private emergency rescue workers), does not constitute compensable hours of work for public employees within that jurisdiction and subordinate jurisdictions.

(2) Attendance outside of regular working hours at specialized or follow-up training, which is required for certification of employees of a governmental jurisdiction by law of a higher level of government, does not constitute compensable hours of work.

(3) Time spent in the training described in paragraphs (b) (1) or (2) of this section is not compensable, even if all or part of the costs of the training is borne by the employer.

(c) Police officers or firefighters, who are in attendance at a police or fire academy or other training facility, are not considered to be on duty during those times when they are not in class or at a training session, if they are free to use such time for personal pursuits. Such free time is not compensable.

§ S553.227 Outside employment

(a) Section 7(p)(1) makes special provision for fire protection and law enforcement employees of public agencies who, at their own option, perform special duty work in fire protection, law enforcement or related activities for a separate and independent employer (public or private) during their off-duty hours. The hours of work for the separate and independent employer are not combined with the hours worked for the primary public agency employer for purposes of overtime compensation.

(b) Section 7(p)(1) applies to such outside employment provided (1) the special detail work is performed solely at the employee's option, and (2) the two employers are in fact separate and independent.

(c) Whether two employers are, in fact, separate and independent can only be determined on a case-by-case basis.

(d) The primary employer may facilitate the employment or affect the conditions of employment of such employees. For example, a police department may maintain a roster of officers who wish to perform such work. The department may also select the officers for special details from a list of those wishing to participate, negotiate their pay, and retain a fee for administrative expenses. The department may require that the separate and independent employer pay the fee for such services directly to the department, and establish procedures for the officers to receive their pay for the special details through the agency's payroll system. Finally, the department may require that the officers observe their normal standards of conduct during such details and take disciplinary action against those who fail to do so.

(e) Section 7(p)(1) applies to special details even where a State law or local ordinance requires that such work be performed and that only law enforcement or fire protection employees of a public agency in the same jurisdiction perform the work. For example, a city ordinance may require the presence of city police officers at a convention center during concerts or sports events. If the officers perform such work at their own option, the hours of work need not be combined with the hours of work for their primary employer in computing overtime compensation.

(f) The principles in paragraphs (d) and (e) of this section with respect to special details of public agency fire protection and law enforcement employees under section 7(p)(1) are exceptions to the usual rules on joint employment set forth in part 791 of this title.

(g) Where an employee is directed by the public agency to perform work for a second employer, section 7(p)(1) does not apply. Thus, assignments of police officers outside of their normal work hours to perform crowd control at a parade, where the assignments are not solely at the option of the officers, would not qualify as special details subject to this exception. This would be true even if the parade organizers reimburse the public agency for providing such services.

(h) Section 7(p)(1) does not prevent a public agency from prohibiting or restricting outside employment by its employees.

Overtime compensation rules

§ S553.230 Maximum hours standards for work periods of 7 to 28 days—section 7(k)

(a) For those employees engaged in fire protection activities who have a work period of at least 7 but less than 28 consecutive days, no overtime compensation is required under section 7(k) until the number of hours worked exceeds the number of hours which bears the same relationship to 212 as the number of days in the work period bears to 28.

(b) For those employees engaged in law enforcement activities (including security personnel in correctional institutions) who have a work period of at least 7 but less than 28 consecutive days, no overtime compensation is required under section 7(k) until the number of hours worked exceeds the number of hours which bears the same relationship to 171 as the number of days in the work period bears to 28.

(c) The ratio of 212 hours to 28 days for employees engaged in fire protection activities is 7.57 hours per day (rounded) and the ratio of 171 hours to 28 days for employees engaged in law enforcement activities is 6.11 hours per day (rounded). Accordingly, overtime compensation (in premium pay or compensatory time) is required for all hours worked in excess of the following maximum hours standards (rounded to the nearest whole hour):

Work period (days)	Maximum hours standards	
	Fire protection	Law enforcement
28	212	171
27	204	165
26	197	159
25	189	153
24	182	147
23	174	141
22	167	134
21	159	128
20	151	122
19	144	116
18	136	110
17	129	104
16	121	98
15	114	92
14	106	86
13	98	79
12	91	73
11	83	67
10	76	61
9	68	55
8	61	49
7	53	43

§ S553.231 Compensatory time off

(a) Law enforcement and fire protection employees who are subject to the section 7(k) exemption may receive compensatory time off in lieu of overtime pay for hours worked in excess of the maximum for their work period as set forth in Sec. S553.230.

(b) Section 7(k) permits public agencies to balance the hours of work over an entire work period for law enforcement and fire protection employees. For example, if a firefighter's work period is 28 consecutive days, and he or she works 80 hours in each of the first two weeks, but only 52 hours in the third week, and does not work in the fourth week, no overtime compensation (in cash wages or compensatory time) would be required since the total hours worked do not exceed 212 for the work period. If the same firefighter had a work period of only 14 days, overtime compensation or compensatory time off would be due for 54 hours (160 minus 106 hours) in the first 14 day work period.

§ S553.232 Overtime pay requirements

If a public agency pays employees subject to section 7(k) for overtime hours worked in cash wages rather than compensatory time off, such wages must be paid at one and one-half times the employees' regular rates of pay.

§ S553.233 'Regular rate' defined

The statutory rules for computing an employee's 'regular rate', for purposes of the Act's overtime pay requirements are applicable to employees or whom the section 7(k) exemption is claimed when overtime compensation is provided in cash wages.

Subpart D—Compensatory time-off for overtime earned by employees whose work schedule directly depends upon the schedule of the Senate

§ S553.301 Definition of ''directly depends''

For the purposes of this Part, a covered employee's work schedule ''directly depends'' on the schedule of the Senate only if the eligible employee performs work that directly supports the conduct of legislative or other business in the chamber and works hours that regularly change in response to the schedule of the House and the Senate.

§ S553.302 Overtime compensation and compensatory time off for an employee whose work schedule directly depends upon the schedule of the Senate

No employing office shall be deemed to have violated section 203(a)(1) of the CAA, which applies the protections of section 7(a) of the Fair Labor Standards Act (''FLSA'') to covered employees and employing office, by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under section 7(a) of the FLSA where the employee's work schedule directly depends on the schedule of the Senate within the meaning of § S553.301, and: (a) the employee is compensated at the rate of time-and-a-half in pay for all hours in excess of 40 and up to 60 hours in a workweek, and (b) the employee is compensated at the rate of time-and-a-half in either pay or in time off for all hours in excess of 60 hours in a workweek.

§ S553.303 Using compensatory time off

An employee who has accrued compensatory time off under § S553.302, upon his or her request, shall be permitted by the employing office to use such time within a reasonable period after making the request, unless the employing office makes a bona fide determination that the needs of the operations of the office do not allow the taking of compensatory time off at the time of the request. An employee may renew the request at a subsequent time. An employing office may also, upon reasonable notice, require an employee to use accrued compensatory time-off.

§ S553.304 Payment of overtime compensation for accrued compensatory time off as of termination of service

An employee who has accrued compensatory time authorized by this regulation shall, upon termination of employment, be paid for the unused compensatory time at the rate earned by the employee at the time the employee receives such payment.

Part S570—Child Labor Regulations

Subpart A—General

Sec.

S570.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

S570.1 Definitions.

S570.2 Minimum age standards.

Subpart C—Employment of minors between 14 and 16 years of age (child labor reg. 3)

S570.31 Determination.

S570.32 Effect of this subpart.

S570.33 Occupations.

S570.35 Periods and conditions of employment.

Subpart A—General

§ S570.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

The following table lists the sections of the Secretary of Labor Regulations under the FLSA with the corresponding sections of the Office of Compliance Regulations under Section 202 of the CAA:

Secretary of Labor Regulations	*OC Regulations*
570.1 Definitions	S570.1
570.2 Minimum age standards	S570.2
570.31 Determinations	S570.31
570.32 Effect of this subpart	S570.32
570.33 Occupations	S570.33
570.35 Periods and conditions of employment	S570.35

§ S570.1 Definitions

As used in this part:

(a) *Act* means the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201-219).

(b) *Oppressive child labor* means employment of a minor in an occupation for which he does not meet the minimum age standards of the Act, as set forth in Sec. S570.2 of this subpart.

(c) *Oppressive child labor age* means an age below the minimum age established under the Act for the occupation in which a minor is employed or in which his employment is contemplated.

(d) [Reserved]

(e) [Reserved]

(f) *Secretary or Secretary of Labor* means the Secretary of Labor, United States Department of Labor, or his authorized representative.

(g) *Wage and Hour Division* means the Wage and Hour Division, Employment Standards Administration, United States Department of Labor.

(h) *Administrator* means the Administrator of the Wage and Hour Division or his authorized representative.

§S570.2 Minimum age standards

(a) All occupations except in agriculture. (1) The Act, in section 3(1), sets a general 16-year minimum age which applies to all employment subject to its child labor provisions in any occupation other than in agriculture, with the following exceptions:

(i) The Act authorizes the Secretary of Labor to provide by regulation or by order that the employment of employees between the ages of 14 and 16 years in occupations other than manufacturing and mining shall not be deemed to constitute oppressive child labor, if and to the extent that the Secretary of Labor determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being (see subpart C of this part); and

(ii) The Act sets an 18-year minimum age with respect to employment in any occupation found and declared by the Secretary of Labor to be particularly hazardous for the employment of minors of such age or detrimental to their health or well-being.

(2) The Act exempts from its minimum age requirements the employment by a parent of his own child, or by a person standing in place of a parent of a child in his custody, except in occupations to which the 18-year age minimum applies and in manufacturing and mining occupations.

Subpart B—[Reserved]

Subpart C—Employment of minors between 14 and 16 years of age (child labor reg. 3)

§ S570.31 Determination

The employment of minors between 14 and 16 years of age in the occupations, for the periods, and under the conditions hereafter specified does not interfere with their schooling or with their health and well-being and shall not be deemed to be oppressive child labor.

§ S570.32 Effect of this subpart

In all occupations covered by this subpart the employment (including suffering or permitting to work) by an employer of minor employees between 14 and 16 years of age for the periods and under the conditions specified in § S570.35 shall not be deemed to be oppressive child labor within the meaning of the Fair Labor Standards Act of 1938.

§ S570.33 Occupations

This subpart shall apply to all occupations other than the following:

(a) Manufacturing, mining, or processing occupations, including occupations requiring the performance of any duties in work rooms or work places where goods are manufactured, mined, or otherwise processed;

(b) Occupations which involve the operation or tending of hoisting apparatus or of any power-driven machinery other than office machines;

(c) The operation of motor vehicles or service as helpers on such vehicles;

(d) Public messenger service;

(e) Occupations which the Secretary of Labor may, pursuant to section 3(1) of the Fair Labor Standards Act and Reorganization Plan No. 2, issued pursuant to the Reorganization Act of 1945, find and declare to be hazardous for the employment of minors between 16 and 18 years of age or detrimental to their health or well-being;

(f) Occupations in connection with:

(1) Transportation of persons or property by rail, highway, air, water, pipeline, or other means;

(2) Warehousing and storage;

(3) Communications and public utilities;

(4) Construction (including demolition and repair); except such office (including ticket office) work, or sales work, in connection with paragraphs (f)(1), (2), (3), and (4) of this section, as does not involve the performance of any duties on trains, motor vehicles, aircraft, vessels, or other media of transportation or at the actual site of construction operations.

§ S570.35 Periods and conditions of employment

(a) Except as provided in paragraph (b) of this section, employment in any of the occupations to which this subpart is applicable shall be confined to the following periods:

(1) Outside school hours;

(2) Not more than 40 hours in any 1 week when school is not in session;

(3) Not more than 18 hours in any 1 week when school is in session;

(4) Not more than 8 hours in any 1 day when school is not in session;

(5) Not more than 3 hours in any 1 day when school is in session;

(6) Between 7 a.m. and 7 p.m. in any 1 day, except during the summer (June 1 through Labor Day) when the evening hour will be 9 p.m.

HOUSE OF REPRESENTATIVES

FAIR LABOR STANDARDS ACT, FINAL AND INTERIM REGULATIONS RELATING TO THE HOUSE OF REPRESENTATIVES AND ITS EMPLOYING OFFICES

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE FAIR LABOR STANDARDS ACT OF 1938

NOTICE OF ADOPTION OF REGULATIONS AND SUBMISSION FOR APPROVAL AND ISSUANCE OF INTERIM REGULATIONS

Summary: The Board of Directors of the Office of Compliance, after considering comments to its general Notice of Proposed Rulemaking published on November 28, 1995 in the Congressional Record, has adopted, and is submitting for approval by the Congress, final regulations to implement sections 203(a) and 203(c) (1) and (2) of the Congressional Accountability Act of 1995 (''CAA''), which apply certain rights and protections of the Fair Labor Standards Act of 1938. The Board is also adopting and issuing such regulations as interim regulations for the House, the Senate and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

For Further Information Contact: Executive Director, Office of Compliance, Room LA 200, Library of Congress, Washington, D.C. 20540-1999. Telephone: (202) 724–9250.

I. Background and Summary

Supplementary Information: The Congressional Accountability Act of 1995 (''CAA''), Pub. L. 104–1, 109 Stat. 3, was enacted on January 23, 1995. 2 U.S.C. §§1301 et seq. In general, the CAA applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. In addition, the statute establishes the Office of Compliance (''Office'') with a Board of Directors (''Board'') as ''an independent office within the legislative branch of the Federal Government.'' Section 203(a) of the CAA applies the rights and protections of subsections a(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (''FLSA'') (29 U.S.C. 206(a)(1) and (d), 207, and 212(c)) to covered employees and employing offices. 2 U.S.C. §1313. Section 203(c)(2) of the CAA directs the Board to issue substantive regulations that ''shall be the same as substantive regulations issued by the Secretary of Labor . . . except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under'' the CAA. 2 U.S.C. §1313(c)(2). On September 28, 1995, the Board of the Office of Compliance issued an Advance Notice of Proposed Rulemaking (''ANPR'') soliciting comments from interested parties in order to obtain participation and information early in the rulemaking process. 141 Cong. Rec. S14542 (daily ed., Sept. 28, 1995).

On November 28, 1995, the Board published in the Congressional Record a Notice of Proposed Rulemaking (NPR) (141 Cong. Rec. S17603–27 (daily ed.)). In response to the NPR, the Board received six written comments, three of which were from offices of the Congress and three of which were from organizations associated with the business community and organized labor. The comments included requests that the Board should provide additional guidance to employing offices on complying with the CAA and compliance issues raised by the ambiguities in the Secretary of Labor's regulations.

Parenthetically, it should also be noted that, on October 11, 1995, the Board published a Notice of Proposed Rulemaking in the Congressional Record (141 Cong. R. S15025 (daily ed., October 11, 1995) (''NPR'')), inviting comments from intersted parties on the proposed FLSA regulations which the CAA directed the Board to issue on the definition of ''intern'' and on ''irregular work schedules.'' Final regulations on those matters were separately adopted by the Board on January 16, 1996. However, because they are regulations

implementing the rights and protections of the FLSA made applicable by the CAA, the Board has incorporated those regulations into the body of final regulations being adopted pursuant to this Notice. The definition of ''interim'' may be found in section [H or S] 501.102 (c) and (h), and the ''irregular work schedules'' regulation may be found in sections [H or S or C] 553.301–553.304.

II. Consideration of public comments; the Board's response and modifications to the NPR's rules

A. Requests that the Board provide additional guidance, including interpretative bulletins and opinion letters

The Board first turns to the issue of whether and in what circumstances the Board can and should give authoritative guidance to employing offices about issues arising from ambiguities in and uncertain applications of the Secretary's regulations. Commenters have formally and informally requested such guidance in various forms: that the Board change the Secretary's regulations to clarify ambiguities; that the Board adopt the Secretary's interpretive bulletins; that the Board issue the Secretary of Labor's interpretative bulletins as its own regulations; that the Board issue opinion letters constituting safe harbors from litigation; that the Board give its imprimatur, either formally or informally, to employee handbooks and other human resource activities of employing offices. Mindful that the Board's first decisions on these matters will have important institutional and legal implications, the Board has carefully considered these requests, as well as the underlying concerns they reflect.

At the outset, the Board must decline the suggestion that it modify the Secretary's regulations in order to remove the ambiguities and resulting uncertainties that Congressional offices will face in complying with the CAA once it takes effect. The Board's authority to modify the regulations of the Secretary is explicitly limited by the requirement that the substantive regulations issued by the Secretary of Labor ''shall be the same as substantive regulations issued by the Secretary of Labor . . . except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under'' the CAA. As is true of many regulatory issues, ambiguity and uncertainty are part of the the FLSA regulatory regime that is presently imposed—with much criticism and protest—on private sector and state and local government employers.

The example of the executive, administrative and professional employee exemptions illustrates this point. The Board specifically highlighted this problem and asked for comment in its ANPR (141 Cong. Rec. S14542, S14543) on September 28, 1995. Although the Board received many comments on this issue and is sympathetic with the concerns of employing offices confronting such ambiguity and uncertainty, the Board has neither been given nor can find appropriate justification for relieving employing offices of the compliance burdens that all employers face under the FLSA. The CAA was intended not only to bring covered employees the benefits of the FLSA and other incorporated laws, but also to require Congress to experience the same compliance burdens faced by other employers so that it could more fairly legislate in this area. The Board cannot agree with suggestions that would rob the CAA of one of its principal intended effects.

The Board must also decline the suggestion that it adopt, as either formal regulations or as its own interpretive authority, the interpretive bulletins found in Subpart B of Part 541 and elsewhere in the Secretary of Labor's regulations. Section 203(c)(2) of the CAA requires the Board to promulgate regulations that are the same as the *substantive* regulations promulgated by the Secretary. But, as explained in the NPR, the interpretive bulletins set forth in Subpart B of Part 541 and elsewhere in the Secretary of Labor's regulations are not *substantive* regulations within the meaning of the law. Moreover, with respect to the concern expressed by some commenters that congressional employing offices would be at a distinct disadvantage if the Board does not adopt the Secretary's interpretative bulletins, the Board again notes, as it did in the NPR, that the Board need not adopt the Secretary's interpretive bulletins in order for them to be available as guidance for employing offices. While the Board is not adopting these interpretive bulletins, the Board reiterates that, like the myriad judicial decisions under the FLSA that are available as guidance for employing offices, the Secretary's interpretive bulletins remain available as part of the corpus of interpretive materials to which employing offices may look in structuring their FLSA-related compliance activities. Indeed, as the Board also noted in the NPR, since the CAA may properly be interpreted as incorporating the defenses and exemptions set forth in the Portal-to-Portal Act, an employing office that relies in good faith on an applicable interpretive bulletin of the Secretary may in fact have a statutory defense to an enforcement action brought by a covered employee. In short, contrary to the suggestion of these commenters, the Board need not adopt the Secretary's interpretive bulletins in order to give employing offices the benefit of them.

One commenter went so far as to suggest that, by not adopting the Secretary's interpretive bulletins, the Board has somehow signaled its intent to engage in a wholesale reinterpretation of the FLSA and its implementing regulations. No such signal was sent; no such signal was intended. Since the CAA does not require adoption of these interpretive bulletins, and since they are independently available to employing offices, the Board merely determined that it need not adopt the Secretary's interpretative bulletins as its own. Moreover, like the Administrator and the courts, the Board intends to depart from the interpretive bulletins only where their persuasive force is lacking or the law otherwise requires (just as courts or the Administrator would do). *See Skidmore v. Swift & Co.*, 323 U.S. 134, 137–38 (1944); *Reich v. Interstate Brands Corp.*, 57 F.3d 574, 577 (7th Cir. 1995) (''[W]e give the Secretary's bulletins the respect their reasoning earns them.''); *Dalheim v. KDFW–TV*, 918 F.2d 1220, 1228 (5th Cir. 1990) (''the persuasive authority of a given interpretation obtains only so long as 'all those factors which give it power to persuade' persist.'') (quoting *Skidmore*).

As an alternative to modifying the regulations and adopting the interpretive bulletins of the Secretary, several commenters also suggested that the Board clarify regulatory ambiguities by issuing interpretive bulletins and advisory opinions of its own and thereby confer a Portal-to-Portal Act defense on employing offices that rely upon any such bulletins or advisory opinions of the Board. Indeed, at least one commenter suggested that the Board should provide advisory opinions and other counsel to employing offices that pose questions to it concerning, for example, the propriety of proposed model personnel practices, the exempt status of employees with specified job descriptions, the legality of proposed handbooks, and the qualification of certain House and Senate programs (such as the Federal Thrift Savings Plan) for defenses or exemptions recognized in the FLSA and the Secretary's regulations. The Board has considered these suggestions and, although empathizing with the concerns motivating these requests, finds these suggestions raise intractable legal and practical problems.

To begin with, the Board upon further study has determined that, contrary to the suggestion of the commenters, the Board cannot confer a Portal-to-Portal Act defense on employing offices for any reliance on pronouncements of the Board (as opposed to the Secretary). By its own terms, in the context of the FLSA, the Portal-to-Portal Act applies only to written administrative actions of the Wage and Hour Administrator of the Department of Labor. *See* 29 U.S.C.§259. The Portal-to-Portal Act does not mention the Board; and the Board's authority to amend the Secretary's regulations for ''good cause'' plainly does not extend to amending statutes such as the Portal-to-Portal Act. Thus, as the federal court of appeals which has jurisdiction over such matters under the CAA has held in an almost identical context, the Portal-to-Portal Act would not confer a defense upon employing offices that might rely upon a pronouncement of the Board. *See Berg v. Newman*, 982 F.2d 500, 503-504 (Fed Cir. 1992) (''To apply the statute to a regulation issued by OPM, an agency not referred to in section 259, would extend the section 259 exception beyond its scope''; ''OPM's absence from section 259 prevents the Government from both adopting and shielding itself from liability for faulty regulations.'') The final regulations so state.

Second, contrary to the assumption of these commenters, the Board has neither the legal basis nor the practical ability to issue the kind of interpretive bulletins or advisory opinions being requested. While the Administrator of the Wage and Hour Division entertains questions posed by employers about enforcement-related issues, the Administrator's willingness and ability to respond to such questions derives from and is constrained by her *investigatory* and *enforcement* responsibilities under the FLSA. As the Supreme Court stated over 50 years ago in *Skidmore v. Swift & Co.*, 323 U.S. 134, 137-38 (1944) (citations omitted): ''Congress did not utilize the services of an administrative agency to find facts and to determine in the first instance whether particular cases fall within or without the Act. Instead, it put these responsibilities on the courts. But it did create the office of Administrator, impose upon him a variety of duties, endow him with powers to inform himself of conditions in industries and employments subject to the Act, and put on him the duties of bringing injunction actions to restrain violations. Pursuit of his duties has accumulated a considerable experience in the problems of ascertaining working time in employments involving periods of inactivity and a knowledge of the customs prevailing in reference to their solution. From these he is obliged to reach conclusions as to conduct without the law, so that he should seek injunctions to stop it, and that within the law, so that he has no call to interfere. He has set forth his views of the application of the Act under different circumstances in an interpretative bulletin and in informal rulings. They provide a practical guide to employers and employees as to how the office representing the public interest in its enforcement will seek to apply it.''

In contrast, the Board has no investigative power by which it can inform itself of conditions, circumstances and customs of employment in the legislative branch; its resources for finding and considering such information are smaller by orders of substantial magnitude; and, most importantly, the Board has no cause to advise employees and employing offices concerning how it will seek

to enforce the statute, since it has no enforcement powers under the CAA.

Indeed, on reflection, it seems unwise, if not legally improper, for the Board to set forth its views on interpretive ambiguities in the regulations outside of the adjudicatory context of individual cases. As noted above, the Board's rulemaking authority is quite restricted. Moreover, the Board has no enforcement authority and, in contrast to the FLSA scheme (where the Administrator has no adjudicatory authority to find facts and to determine in the first instance whether particular cases fall within or without the statute), the CAA contemplates that the Board will adjudicate cases brought by covered employees and that, in such adjudications, the Board must be of independent and open mind, bound to and limited by a factual record developed through an adversarial process governed by rules of law, and subject to judicial review of its decisions. See 2 U.S.C. §§1405-1407 (procedure for complaint, hearing, board review and judicial review; requiring hearings to be conducted in accordance with 5 U.S.C. §§554-557); 29 U.S.C. §§554-557. These legal safeguards and the institutional objectives they seek to promote—i.e., the accuracy of the Board's adjudicative decisions and the integrity of the Board's processes—would be undermined if the Board were to attempt to prejudge ambiguous or disputed interpretive matters in advisory opinions that were developed in non-adversarial, non-public proceedings. The Board thus cannot acquiesce in requests for such advisory opinions.

Some commenters suggested that the Board could properly issue such interpretive bulletins and advisory opinions under the rubric of the ''education'' and ''information'' programs allowed and, indeed, mandated by section 301(h) of the CAA. Of course, the Office's education and information programs are not the subject of this notice and comment and thus a discussion of ''education'' and ''information'' programs is not necessary to this rulemaking effort. But, upon due consideration of matter, it appears that this suggestion is based upon a fundamental misunderstanding of the institutional powers and responsibilities conferred upon and withheld from the Board and the Office by Congress in the CAA. Thus, it is both fair and prudent to address the issue at this point.

At the outset, the Board notes that Section 301(h)'s reference to ''education'' and ''information'' programs is not the broad mandate that these comments suggest. In contrast to other statutory schemes, section 301(h) does not authorize, much less compel, the development by the Board or the Office of ''training'' or ''technical assistance'' programs such as those that are included in the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Occupational Safety and Health Act of 1970, the Employee Polygraph Protection Act of 1988, and the Age Discrimination in Employment Act of 1967. Nor does the CAA authorize, much less compel, the issuance of interpretive bulletins, advisory opinions or enforcement guidelines, as agencies with investigative and prosecutorial powers (and matching resources) are sometimes allowed (although almost never compelled) to issue. Rather, section 301(h) directs the Office to carry out ''a program of education for members of Congress and other employing authorities of the legislative branch of the Federal Government respecting the laws made applicable to them''; and ''a program to inform individuals of their rights under laws applicable to the legislative branch of the Federal Government.'' 2 U.S.C. §1381(h). Such admonitions are, however, contained in almost all federal employment laws; and those experienced in the field understand them to concern only programs that ensure general ''awareness'' of rights and responsibilities under the pertinent law.

Section 301(h) must be read in the context of the powers granted to and withheld from the Board in the statutory scheme created by the CAA. The CAA authorizes the Board to engage in rulemaking, but requires the Board to follow specified procedures in doing so and, at least in the context of the FLSA, requires the Board to have ''good cause'' for departing from the Secretary of Labor's substantive regulations. Moreover, the CAA authorizes the Board to engage in adjudication, but only after a complaint is filed with the Office, a record is properly developed through an adversarial process governed by rules of law, and judicial review is assured. And the CAA rather pointedly declines to confer upon the Board the investigatory and prosecutorial authority that is necessary for sound decisionmaking and interpretation outside of the regulatory and adjudicatory contexts. Given this statutory scheme, section 301(h)'s ''education and information'' mandate cannot reasonably be construed to require (or even allow) the Board to engage in the kind of advisory counselling requested here—i.e., authoritative opinions developed in nonpublic, nonadversarial proceedings.

Indeed, Congress appears effectively to have considered this issue in the CAA and to have rejected the kind of relationship between the Board and employing offices that is contemplated by this request. The legislative history reflects a recognition that ''the office must, in appearance and reality, be independent in order to gain and keep the confidence of the employees and employers who will utilize the dispute resolution process created by this act.'' 141 Cong. Rec. at S627. The legislative history further reflects a recognition that ''laws cannot be enforced in a fair and uniform manner—and employees and the public cannot be convinced that the laws are being enforced in a fair and uniform manner—unless Congress establishes a single enforcement mechanism that is independent of each House of Congress.'' 141 Cong. Rec. at S444. The statute thus declares that the Office of Compliance is an ''independent office'' in the legislative branch; that the Office is governed by a Board of Directors whose members were appointed on a bi-partisan basis for non-partisan reasons, who may be removed in only quite limited circumstances, and whose incomes are largely derived from work in the private sector; and that the Board must follow formal public comment and adjudicatory procedures in making any decisions with legal effect. 2 U.S.C. §§1381 (a), (b), (e), (f), (g), 1384, 1405–6. The call for issuing advisory opinions in the ''education'' and ''information'' process—opinions that would be issued in non-public, non-adversarial proceedings without regard to the statutorily-required public comment and adjudicatory procedures—is in intolerable tension with the institutional independence, inclusiveness and procedural regularity contemplated for the Board by the CAA.

In all events, the Board would in the exercise of its considered judgment decline to provide authoritative opinions to employing offices as part of its ''education'' and ''information'' programs. Without investigatorial and prosecutorial authority (and matching resources), the Board has insufficient information and thus is practicably unable to provide such authoritative opinions. With severely restricted rulemaking authority, the Board cannot properly provide regulatory clarifications for employing offices when those clarifications have not been provided by the Secretary to private sector and state and local government employers. And, with its adjudicatory powers, the Board should not resolve disputed interpretive matters in the absence of a specific factual controversy, a record developed through an adversarial process governed by rules of law, and an opportunity for judicial review. To do otherwise would simply impair the independence, impartiality, and irreproachability of the Board's actions. In short, for much the same reasons that federal courts do not issue advisory opinions or ex parte decisions, neither should the Board. *See United States* v. *Freuhauf*, 365 U.S. 146, 157 (1961) (Frankfurter, J.) (discussing vices of advisory opinions).

To be sure, ''education'' and ''information'' programs are of central importance to the CAA scheme. Such programs are needed, in part, to help employing offices in their efforts to understand and satisfy their compliance obligations under the CAA. And the Board reiterates its intention, stated in the NPR, that the Office sponsor, and participate in, seminars on the obligations of employing offices, distribute a comprehensive manual to address frequently arising questions under the CAA (including questions relating to FLSA exemptions), and be available generally to discuss compliance-related issues when called upon by employing offices. But the Board itself will not and should not in this education and information process issue authoritative opinions about such matters as the exemption status of employees with specified job duties, the propriety of particular model handbooks and policies developed by employing offices, and the qualification of certain House and Senate programs (such as the Federal Thrift Savings Plan) for particular defenses and exemptions that are available under the regulations. Characterizing such interpretive activity as ''educational'' or ''informational'' does not in any way address, much less satisfactorily resolve, the serious legal and institutional concerns that make it unwise, if not improper, for the Board to engage in such interpretive activities outside of the adjudicative processes established by the CAA.

The Board recognizes that, by declining to provide such authoritative advisory opinions, the Board is forcing employing offices to rely to a greater extent upon their own counsel and human resources officials and in a sense is frustrating the efforts of employing offices to obtain desirable safe-harbors. The FLSA as currently applied to private employers contains few such safe-harbors, particularly in the area of exemptions. But many knowledgeable labor lawyers and human resources officials are available to provide employing offices with the kind of learned counsel and human resources advice that the employing offices are seeking from the Board; indeed, the House and Senate have centralized administrations and committees that can provide this legal support to employing offices. And employing offices have the benefit of the same legal safe-harbors that the Secretary of Labor has made available to private sector and State and local government employers. Under the CAA, they are legally entitled to no more.

Even more importantly, however, the Board finds that the long-term institutional harm to the CAA scheme that would result from the Board's providing such advisory opinions in non-public, non-adversarial proceedings far outweighs whatever short-term legal or political benefits might result for employing offices. As noted above, provision by the Board of such opinions could impair confidence in the independence, impartiality and irreproachability of the Board's decisionmaking processes. Such a lack of confidence could unfortunately induce employees to take their cases to court rather than bring them to the Board's less costly, confidential and expedited alternative dispute resolution process. Even more seriously, such a lack of confidence could cause the

public and other interested persons to question the Board's commitment, and thus the sincerity of the CAA's promise, generally to provide covered employees the same benefits, and to subject the legislative branch to the same legal burdens, as exist with regard to private sector and State and local government employers that are subject to the FLSA. We are confident that, like the bi-partisan Congressional leadership who appointed us and who placed their trust in our experience and judgment concerning how best to implement this statute, those in Congress who voted for the CAA or who would support it today would want us to prefer the long term viability, integrity, and efficacy of this noble statutory enterprise over the short-term demands of employing offices.

B. Specific comments and Board action

1. §§ 541.1,.2,.3—''White collar'' exemptions—Use of job descriptions to determine exempt status

The Board received several comments urging the Board, on the basis of generic job descriptions, to give advice to employing offices on whether covered employees are exempt as bona fide executive, administrative, or professional employees under FLSA §13(a)(1) as applied by the CAA. As noted above, it would not be appropriate to attempt to give such advice in the context of this rulemaking. The Board would note, as a further point, that submission of such descriptions which may describe functions of congressional employees would not, in any event, provide the detail necessary to determine the exempt or nonexempt status of the job. Job descriptions that utilize language or phraseology derived from the regulations today adopted by the Board do not provide the specificity of conclusions regarding exempt or nonexempt status. The Secretary's regulations, as adopted by the Board, speak for themselves. It would serve no purpose, and provide no guidance, simply to repeat the statutory standards for exemption in a job description without reference to the particular functions of a particular employee. The Fair Labor Standards Act is clear that actual function, and not description or job title, govern the exempt status of an employee. See, e.g., 29 C.F.R. §541.201 (3)(b)(1),(2).

2. § 541.5d—Special rule for ''white collar'' employees of a public agency

Under §13(a)(1) of the FLSA, which is incorporated by reference under §225(f)(1) of the CAA, a salaried employee who is a bona fide executive, administrative, or professional employee need not be paid overtime compensation for hours worked in excess of the statutory maximum. Sections 541.1, 541.2, and 541.3, 29 C.F.R., of the Secretary of Labor's regulations respectively define the criteria for each of these ''white collar'' exemptions. Since they are substantive regulations, the Board in its NPR proposed to adopt them.

Among the regulations not proposed for adoption was §541.5d. This regulation provides that an employee shall not lose his or her ''white collar'' exemption where a ''public agency'' employer reduces an exempt employee's pay or places the employee on unpaid leave in certain circumstances for partial-day absences. As explained in the Federal Register Notice announcing its adoption, the Secretary of Labor issued §541.5d in response to concerns that the application of the FLSA to State and local governments would undermine well-settled ''policies of public accountability'' that require public employees (including those who would otherwise be exempt) to incur a reduction in pay if they absent themselves from work under certain circumstances. 57 Fed. Reg. 37677 (Aug. 19, 1992).

The Board originally did not propose adoption of this regulation. However, one commenter pointed out that, by its terms, §541.5d covers a ''public agency,'' which is a statutory term defined in §3(x) of the FLSA to include ''the government of the United States.'' As a definitional provision, §3(x) is incorporated into the CAA by virtue of §225(f)(1), and Congress is undeniably a branch of the ''government of the United States.''

The Board finds merit in the commenter's argument. Moreover, the adoption of this regulation is well in keeping with the Board's mandate to promulgate rules that are ''the same as substantive regulations promulgated by the Department of Labor to implement'' those FLSA statutory provisions made applicable by the CAA. Accordingly, §541.5d will be adopted with a minor change that substitutes for the citation to §541.118 (an interpretative bulletin) the phrase ''being paid on a salary basis,'' which is derived directly from the substantive regulations defining the ''white collar'' exemptions (i.e., 29 C.F.R. §§541.1,.2,.3).

3. Partial overtime exemption for law enforcement officers

The Board did not propose to adopt any sections of 29 C.F.R. Part 553, which govern the application of the FLSA to employees of State and local governments. Subparts A and B of that Part address a variety of issues, including certain exclusions pertaining to elected legislative offices, the use of compensatory time off, recordkeeping, and the employment of volunteers. Subpart C addresses the special provisions which Congress enacted in §7(k) in connection with fire protection and law enforcement employees of public agencies.

Section 7(k) of the FLSA also provides a partial overtime exemption for fire protection and law enforcement employees of a public agency. Based on tour-of-duty averages that were determined by the Secretary of Labor in 1975, an employer need not pay overtime if, in a work period of 28 consecutive days, the employee receives a tour of duty which in the aggregate does not exceed 212 hours for fire protection activity or does not exceed 171 hours for law enforcement activity. Thus, for law enforcement personnel, work in excess of 171 hours during the 28-day period triggers the requirement to pay overtime compensation. For a work period of at least 7 but less than 28 consecutive days, overtime must be paid when the ratio of the number of hours worked to the number of days in the work period exceeds the 171-hours-to-28-days ratio (rounded to the nearest whole hour).

Although the regulations by their terms apply only to ''public agencies'' of State and local governments, one commenter observed that the underlying statutory provisions are not so limited but rather apply to any ''public agency,'' which by definition includes the Federal government (See §3(x) of the FLSA). Accordingly, it was argued that the Board should adopt those regulations implementing the §7(k) partial overtime exemption insofar as it would apply to the law enforcement work of the Capitol Police.

For the reasons noted above that support adoption of §541.5d, the Board finds that the pertinent sections of Subpart C of Part 553 should also be adopted. Section 7(k) provides a direct textual basis for applying the relevant regulations. Thus, under the regulations, the Capitol Police as an employing office of law enforcement personnel shall have two options: It may pay such personnel overtime compensation on the basis of a 40-hour workweek. Alternatively, it may claim the section 7(k) exemption by establishing a valid work period that follows the criteria set forth in the regulations.

The Board is aware that Congress has enacted special provisions governing overtime compensation and compensatory time off for Capitol Police officers. 40 U.S.C. §206b (for police on the House's payroll) and §206c (for police on the Senate's payroll). However, the regulations being adopted here do not purport to modify those statutory provisions; and whether 40 U.S.C. §§206b–206c grant rights and protections to law enforcement employees that preclude the Capitol Police from availing itself of §7(k) of the FLSA is a question that the Board does not address. The regulations simply specify the rules for overtime policies that conform to the FLSA.

4. § 570.35a—Work experience programs for minors

The CAA makes applicable to the legislative branch FLSA §12(c), which prohibits the use of oppressive child labor, and FLSA §3(*l*), which defines ''oppressive child labor.'' In its NPR, the Board proposed adopting as part of the CAA rules applicable to the Senate certain substantive regulations of Part 570, 29 C.F.R., implementing these statutory provisions. This proposal was based on the Board's understanding that the Senate has a practice of appointing pages under 18 years of age.

One commenter confirmed this understanding by reporting that the Senate Page Program does employ minors under the age of 16. Thus, under the proposed regulations, there are limitations on the periods and the conditions under which such minors can work. Without disputing the applicability of this regulation, the commenter sought to mitigate its impact by urging the adoption of an additional regulation found in 29 C.F.R. Part 570, Subpart C, namely the rule that varies some of the provisions of Subpart C in the context of school-supervised and school-administered work-experience or career exploration programs that have been individually approved by the Wage and Hour Administrator. 29 C.F.R. §570.35a.

After carefully reviewing the provisions of §570.35a, the Board finds that it would not be appropriate to adopt this regulation. There is no available ''State Educational Agency'' in the context of the CAA; State law is not properly applicable here; and the Board is obviously not competent to set educational standards. In short, there are legal and practical reasons why this regulation is unworkable in the context of Federal legislative branch employment, and the Board thus has ''good cause'' not to adopt it.

5. Board determination on regulations ''required'' to be issued in connection with § 411 default provision

Section 411 of the CAA provides in pertinent part that ''if the Board has not issued a regulation on a matter for which [the CAA] requires a regulation to be issued the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue.'' By its own terms, this provision comes into play only where it is determined that the Board has not issued a regulation that is *required* by the CAA. Thus, before a Department of Labor regulation can be invoked, an adjudicator must make a threshold determination that the regulation concerns a matter as to which the Board was obligated under the CAA to issue a regulation.

As noted in the NPR, it was apparent in reviewing Chapter V of 29 C.F.R., which contains all the regulations of the Secretary of Labor issued to implement the FLSA generally, many of those regulations were not legally ''required'' to be issued as CAA regulations because the underlying FLSA provisions were not made applicable under the CAA. And there are other regulations that

the Board has ''good cause'' not to issue because, for example, they have no applicability to legislative branch employment.

None of the comments to the NPR quarrelled with the Board's conclusion not to adopt those regulations that have little practical application. Therefore, the Board is not issuing regulations predicated upon the following Parts of 29 C.F.R.: Parts 519–528, which authorize subminimum wages for full-time students, student-learners, apprentices, learners, messengers, workers with disabilities, and student workers; Part 548, which authorizes in the collective bargaining context the establishment of basic wage rates for overtime compensation purposes; and Part 551, which implements an overtime exemption for local delivery drivers and helpers.

The comments did identify several individual regulations as to which there is not good cause to not adopt. As explained elsewhere, those regulations are being included in the final rules. However, in the main, the comments did not dispute the inapplicability of those Parts of 29 C.F.R. deemed legally irrelevant.

Accordingly, in keeping with its announced intent in the NPR, the Board is including in its final rules a declaration to the effect that the Board has issued those regulations that, as both a legal and practical matter, it is ''required'' to promulgate to implement the statutory provisions of the FLSA that are made applicable to the legislative branch by the CAA.

The Board has carefully reviewed the entire corpus of the Secretary's regulations, has sought comment on its proposal concerning the regulations that it should (and should not adopt), and has considered those comments in formulating its final rules. The Board has acted based on this review and consideration and in order to prevent wasteful litigation about whether the omission of a regulation from the Secretary in the Board's regulations was intended or not.

6. Recordkeeping and notice posting

One comment essentially requested that the Board revisit an issue which it resolved after receiving comments to its Advance Notice of Proposed Rulemaking (ANPR) published on October 11, 1995. The ANPR had solicited public comments on certain questions to assist the Board in drafting proposed FLSA regulations, including the question of whether the FLSA provisions regarding recordkeeping and the notice posting were made applicable by the CAA. As explained in the NPR, after evaluating the comments and carefully reviewing the CAA, the Board concluded that ''the CAA explicitly did not incorporate the notice posting and recordkeeping requirements of Section 11, 29 U.S.C. §211 of the FLSA.'' The most recent comment offered no further statutory evidence to support a change in the Board's original conclusion.

7. Technical and nomenclature changes

A commenter suggested a number of technical and nomenclature changes to the proposed regulations to make them more precise in their application to the legislative branch. The Board has incorporated many of the suggested changes. However, by making these changes, the Board does not intend a substantive difference in meaning of these sections of the Board's regulations and those of the Secretary from which the Board's regulations are derived.

III. Adoption of Proposed Rules as Final Regulations under Section 304(b)(3) and as Interim Regulations

Having considered the public comments to the proposed rules, the Board pursuant to section 304(b) (3) and (4) of the CAA is adopting these final regulations and transmitting them to the House and the Senate with recommendations as to the method of approval by each body under section 304(c). However, the rapidly approaching effective date of the CAA's implementation necessitates that the Board take further action with respect to these regulations. For the reasons explained below, the Board is also today adopting and issuing these rules as *interim* regulations that will be effective as of January 23, 1996 or the time upon which appropriate resolutions of approval of these interim regulations are passed by the House and/or the Senate, whichever is later. These interim regulations will remain in effect until the earlier of April 15, 1996 or the dates upon which the House and Senate complete their respective consideration of the final regulations that the Board is herein adopting.

The Board finds that it is necessary and appropriate to adopt such interim regulations and that there is ''good cause'' for making them effective as of the later of January 23, 1996, or the time upon which appropriate resolutions of approval of them are passed by the House and the Senate. In the absence of the issuance of such interim regulations, covered employees, employing offices, and the Office of Compliance staff itself would be forced to operate in regulatory uncertainty. While section 411 of the CAA provides that, ''if the Board has not issued a regulation on a matter for which this Act requires a regulation to be issued, the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue in the proceeding,'' covered employees, employing offices and the Office of Compliance staff might not know what regulation, if any, would be found applicable in particular circumstances absent the procedures suggested here. The resulting confusion and uncertainty on the part of covered employees and employing offices would be contrary to the purposes and objectives of the CAA, as well as to the interests of those whom it protects and regulates. Moreover, since the House and the Senate will likely act on the Board's final regulations within a short period of time, covered employees and employing offices would have to devote considerable attention and resources to learning, understanding, and complying with a whole set of default regulations that would then have no future application. These interim regulations prevent such a waste of resources.

The Board's authority to issue such interim regulations derives from sections 411 and 304 of the CAA. Section 411 gives the Board authority to determine whether, in the absence of the issuance of a final regulation by the Board, it is necessary and appropriate to apply the substantive regulations of the executive branch in implementing the provisions of the CAA. Section 304(a) of the CAA in turn authorizes the Board to issue substantive regulations to implement the Act. Moreover, section 304(b) of the CAA instructs that the Board shall adopt substantive regulations ''in accordance with the principles and procedures set forth in section 553 of title 5, United States Code,'' which have in turn traditionally been construed by courts to allow an agency to issue ''interim'' rules where the failure to have rules in place in a timely manner would frustrate the effective operation of a federal statute. See, e.g., *Philadelphia Citizens in Action v. Schweiker*, 669 F.2d 877 (3d Cir. 1982). As noted above, in the absence of the Board's adoption and issuance of these interim rules, such a frustration of the effective operation of the CAA would occur here.

In so interpreting its authority, the Board recognizes that in section 304 of the CAA, Congress specified certain procedures that the Board must follow in issuing substantive regulations. In section 304(b), Congress said that, except as specified in section 304(e), the Board must follow certain notice and comment and other procedures. The interim regulations in fact have been subject to such notice and comment and such other procedures of section 304(b).

In issuing these interim regulations, the Board also recognizes that section 304(c) specifies certain procedures that the House and the Senate are to follow in approving the Board's regulations. The Board is of the view that the essence of section 304(c)'s requirements are satisfied by making the effectiveness of these interim regulations conditional on the passage of appropriate resolutions of approval by the House and/or the Senate. Moreover, section 304(c) appears to be designed primarily for (and applicable to) final regulations of the Board, which these interim regulations are not. In short, section 304(c)'s procedures should not be understood to prevent the issuance of interim regulations that are necessary for the effective implementation of the CAA.

Indeed, the promulgation of these interim regulations clearly conforms to the spirit of section 304(c) and, in fact promotes its proper operation. As noted above, the interim regulations shall become effective only upon the passage of appropriate resolutions of approval, which is what section 304(c) contemplates. Moreover, these interim regulations allow more considered deliberation by the House and the Senate of the Board's final regulations under section 304(c).

The House has in fact already signalled its approval of such interim regulations both for itself and for the instrumentalities. On December 19, 1995, the House adopted H. Res. 311 and H. Con. Res. 123, which approve ''on a provisional basis'' regulations ''issued by the Office of Compliance before January 23, 1996.'' The Board believes these resolutions are sufficient to make these interim regulations effective for the House on January 23, 1996, though the House might want to pass new resolutions of approval in response to this pronouncement of the Board.

To the Board's knowledge, the Senate has not yet acted on H. Con. Res. 123, nor has it passed a counterpart to H. Res. 311 that would cover employing offices and employees of the Senate. As stated herein, it must do so if these interim regulations are to apply to the Senate and the other employing offices of the instrumentalities (and to prevent the default rules of the executive branch from applying as of January 23, 1996).

IV. Method of approval

The Board received no comments on the method of approval for these regulations. Therefore, the Board continues to recommend that (1) the version of the regulations that shall apply to the Senate and employees of the Senate should be approved by the Senate by resolution; (2) the version of the regulations that shall apply to the House of Representatives and employees of the House of Representatives should be approved by the House of Representatives by resolution; and (3) the version of the regulations that shall apply to other covered employees and employing offices should be approved by the Congress by concurrent resolution.

With respect to the interim version of these regulations, the Board recommends that the Senate approve them by resolution insofar as they apply to the Senate and employees of the Senate. In addition, the Board recommends that the Senate approve them by concurrent resolution insofar as they apply to other covered employees and employing offices. It is noted that the House has expressed its approval of the regulations

insofar as they apply to the House and its employees through its passage of H. Res. 311 on December 19, 1995. The House also expressed its approval of the regulations insofar as they apply to other employing offices through passage of H. Con. Res. 123 on the same date; this concurrent resolution is pending before the Senate.

ADOPTED REGULATIONS—AS INTERIM AND AS FINAL REGULATIONS

Subtitle B—Regulations relating to the House of Representatives and its employing offices—H series

Chapter III—Regulations Relating to the Rights and Protections Under the Fair Labor Standards Act of 1938

Part H501—General provisions

Sec.
H501.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
H501.101 Purpose and scope.
H501.102 Definitions.
H501.103 Coverage.
H501.104 Administrative authority.
H501.105 Effect of Interpretations of the Labor Department.
H501.106 Application of the Portal-to-Portal Act of 1947.
H501.107 Duration of interim regulations.

§ H501.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the parts of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding parts of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor regulations	*OC regulations*
Part 531 Wage payments under the Fair Labor Standards Act of 1938	Part H531
Part 541 Defining and delimiting the terms ''bona fide executive,'' ''administrative,'' and ''professional'' employees	Part H541
Part 547 Requirements of a ''Bona fide thrift or savings plan''	Part H547
Part 553 Application of the FLSA to employees of public agencies	Part H553

Subpart A—Matters of general applicability

§ H501.101 Purpose and scope

(a) Section 203 of the Congressional Accountability Act (CAA) provides that the rights and protections of subsections (a)(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (FLSA) (29 U.S.C. §§206(a)(1) & (d), 207, 212(c)) shall apply to covered employees of the legislative branch of the Federal government. Section 301 of the CAA creates the Office of Compliance as an independent office in the legislative branch for enforcing the rights and protections of the FLSA, as applied by the CAA.

(b) The FLSA as applied by the CAA provides for minimum standards for both wages and overtime entitlements, and delineates administrative procedures by which covered worktime must be compensated. Included also in the FLSA are provisions related to child labor, equal pay, and portal-to-portal activities. In addition, the FLSA exempts specified employees or groups of employees from the application of certain of its provisions.

(c) This chapter contains the substantive regulations with respect to the FLSA that the Board of Directors of the Office of Compliance has adopted pursuant to Sections 203(c) and 304 of the CAA, which require that the Board promulgate regulations that are ''the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of §203 of the CAA] except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.''

(d) These regulations are issued by the Board of Directors, Office of Compliance, pursuant to sections 203(c) and 304 of the CAA, which directs the Board to promulgate regulations implementing section 203 that are ''the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection a [of section 203 of the CAA] except insofar as the Board may determine, for good cause shown . . .that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' The regulations issued by the Board herein are on all matters for which section 203 of the CAA requires regulations to be issued. Specifically, it is the Board's considered judgment, based on the information available to it at the time of the promulgation of these regulations, that, with the exception of regulations adopted and set forth herein, there are no other ''substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 203 of the CAA].''

(e) In promulgating these regulations, the Board has made certain technical and nomenclature changes to the regulations as promulgated by the Secretary. Such changes are intended to make the provisions adopted accord more naturally to situations in the legislative branch. However, by making these changes, the Board does not intend a substantive difference between these regulations and those of the Secretary from which they are derived. Moreover, such changes, in and of themselves, are not intended to constitute an interpretation of the regulation or of the statutory provisions of the CAA upon which they are based.

§ H501.102 Definitions

For purposes of this chapter:

(a) *CAA* means the Congressional Accountability Act of 1995 (P.L. 104–1, 109 Stat. 3, 2 U.S.C. §§1301–1438).

(b) *FLSA* or *Act* means the Fair Labor Standards Act of 1938, as amended (29 U.S.C. §201 et seq.), as applied by section 203 of the CAA to covered employees and employing offices.

(c) *Covered employee* means any employee of the House of Representatives, including an applicant for employment and a former employee, but shall not include an intern.

(d) *Employee of the House of Representatives* includes any individual occupying a position the pay for which is disbursed by the Clerk of the House of Representatives, or another official designated by the House of Representatives, or any employment position in an entity that is paid with funds derived from the clerk-hire allowance of the House of Representatives but not any such individual employed by (1) the Capitol Guide Service; (2) the Capitol Police; (3) the Congressional Budget Office; (4) the Office of the Architect of the Capitol; (5) the Office of the Attending Physician; (6) the Office of Compliance; or (7) the Office of Technology Assessment.

(e) *Employing office* and *employer* mean (1) the personal office of a Member of the House of Representatives; (2) a committee of the House of Representatives or a joint committee; or (3) any other office headed by a person with the final authority to appoint, hire, discharge, and set the terms, conditions, or privileges of the employment of an employee of the House of Representatives.

(f) *Board* means the Board of Directors of the Office of Compliance.

(g) *Office* means the Office of Compliance.

(h) *Intern* is an individual who (a) is performing services in an employing office as part of a demonstrated educational plan, and (b) is appointed on a temporary basis for a period not to exceed 12 months; *provided* that if an intern is appointed for a period shorter than 12 months, the intern may be reappointed for additional periods as long as the total length of the internship does not exceed 12 months; *provided further* that the defintion of *intern* does not include volunteers, fellows or pages.

§ H501.103 Coverage

The coverage of Section 203 of the CAA extends to any covered employee of an employing office without regard to whether the covered employee is engaged in commerce or the production of goods for interstate commerce and without regard to size, number of employees, amount of business transacted, or other measure.

§ H501.104 Administrative authority

(a) The Office of Compliance is authorized to administer the provisions of Section 203 of the Act with respect to any covered employee or covered employer.

(b) The Board is authorized to promulgate substantive regulations in accordance with the provisions of Sections 203(c) and 304 of the CAA.

§ H501.105 Effect of interpretations of the Department of Labor

(a) In administering the FLSA, the Wage and Hour Division of the Department of Labor has issued not only substantive regulations but also interpretative bulletins. Substantive regulations represent an exercise of statutorily-delegated lawmaking authority from the legislative branch to an administrative agency. Generally, they are proposed in accordance with the notice-and-comment procedures of the Administrative Procedure Act (APA), 5 U.S.C. §553. Once promulgated, such regulations are considered to have the force and effect of law, unless set aside upon judicial review as arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. See *Batterton* v. *Francis*, 432 U.S. 416, 425 n.9 (1977). See also 29 C.F.R. §790.17(b) (1994). Unlike substantive regulations, interpretative statements, including bulletins and other releases of the Wage and Hour Division, are not issued pursuant to the provisions of the APA and may not have the force and effect of law. Rather, they may only constitute official interpretations of the Department of Labor with respect to the meaning and application of the minimum wage, maximum hour, and overtime pay requirements of the FLSA. See 29 C.F.R. §790.17(c) (citing Final Report of the Attorney General's Committee on Administrative Procedure, Senate Document No. 8, 77th Cong., 1st Sess., at p. 27 (1941)). The purpose of such statements is to make available in one place the interpretations of the FLSA which will guide the Secretary of Labor and the Wage and Hour Administrator in the performance of their duties unless and until they are otherwise directed by authoritative decisions of the courts or conclude, upon reexamination of an interpretation, that it is incorrect. The Supreme Court has observed: ''[T]he rulings, interpretations and opinions of the Administrator under this Act, while not controlling upon the courts by reason of their authority,

do constitute a body of experience and informed judgment to which courts and litigants may properly resort for guidance. The weight of such a judgment in a particular case will depend upon the thoroughness evident in the consideration, the validity of its reasoning, its consistency with earlier and later pronouncements, and all those factors which give it power to persuade, if lacking power to control.'' *Skidmore* v. *Swift,* 323 U.S. 134, 140 (1944).

(b) Section 203(c) of the CAA provides that the substantive regulations implementing Section 203 of the CAA shall be ''the same as substantive regulations promulgated by the Secretary of Labor'' except where the Board finds, for good cause shown, that a modification would more effectively implement the rights and protections established by the FLSA. Thus, the CAA by its terms does not mandate that the Board adopt the interpretative statements of the Department of Labor or its Wage and Hour Division. The Board is thus not adopting such statements as part of its substantive regulations.

§ H501.106 Application of the Portal-to-Portal Act of 1947

(a) Consistent with Section 225 of the CAA, the Portal to Portal Act (PPA), 29 U.S.C. §§ 216 and 251 *et seq.,* is applicable in defining and delimiting the rights and protections of the FLSA that are prescribed by the CAA. Section 10 of the PPA, 29 U.S.C. § 259, provides in pertinent part: ''[N]o employer shall be subject to any liability or punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, . . . if he pleads and proves that the act or omission complained of was in good faith in conformity with and reliance on any written administrative regulation, order, ruling, approval or interpretation of [the Administrator of the Wage and Hour Division of the Department of Labor] . . . or any administrative practice or enforcement policy of such agency with respect to the class of employers to which he belonged. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.''

(b) In defending any action or proceeding based on any act or omission arising out of section 203 of the CAA, an employing office may satisfy the standards set forth in subsection (a) by pleading and proving good faith reliance upon any written administrative regulation, order, ruling, approval or interpretation, of the Administrator of the Wage and Hour Division of the Department of Labor: *Provided,* that such regulation, order, ruling approval or interpretation had not been superseded at the time of reliance by any regulation, order, decision, or ruling of the Board or the courts.

§ H501.107 Duration of interim regulations

These interim regulations for the House, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

Part H531—Wage Payments Under the Fair Labor Standards Act of 1938

Subpart A—Preliminary matters

Sec.

H531.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

H531.1 Definitions.

H531.2 Purpose and scope.

Subpart B—Determinations of ''reasonable cost;'' effects of collective bargaining agreements

H531.3 General determinations of ''reasonable cost''.

H531.6 Effects of collective bargaining agreements.

Subpart A—Preliminary matters.

§ H531.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor Regulations	*OC Regulations*
531.1 Definitions	H531.1 *55*
H531.2 Purpose and scope ..	H531.2
H553.3 General determinations of ''reasonable cost''	H531.3
H531.6 Effects of collective bargaining agreements ...	H531.6

§ H531.1 Definitions

(a) *Administrator* means the Administrator of the Wage and Hour Division or his authorized representative. The Secretary of Labor has delegated to the Administrator the functions vested in him under section 3(m) of the Act.

(b) *Act* means the Fair Labor Standards Act of 1938, as amended.

§ H531.2 Purpose and scope

(a) Section 3(m) of the Act defines the term ''wage'' to include the ''reasonable cost'', as determined by the Secretary of Labor, to an employer of furnishing any employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by the employer to his employees. In addition, section 3(m) gives the Secretary authority to determine the ''fair value.'' Of such facilities on the basis of average cost to the employer or to groups of employers similarly situated, on average value to groups of employees, or other appropriate measures of ''fair value.'' Whenever so determined and when applicable and pertinent, the ''fair value'' of the facilities involved shall be includable as part of ''wages'' instead of the actual measure of the costs of those facilities. The section provides, however, that the cost of board, lodging, or other facilities shall not be included as part of ''wages'' if excluded therefrom by a bona fide collective bargaining agreement. Section 3(m) also provides a method for determining the wage of a tipped employee.

(b) This part 531 contains any determinations made as to the ''reasonable cost'' and ''fair value'' of board, lodging, or other facilities having general application.

Subpart B—Determinations of ''reasonable cost'' and ''fair value''; effects of collective bargaining agreements

§ H531.3 General determinations of ''reasonable cost''

(a) The term *reasonable cost* as used in section 3(m) of the Act is hereby determined to be not more than the actual cost to the employer of the board, lodging, or other facilities customarily furnished by him to his employees.

(b) Reasonable cost does not include a profit to the employer or to any affiliated person.

(c) The reasonable cost to the employer of furnishing the employee with board, lodging, or other facilities (including housing) is the cost of operation and maintenance including adequate depreciation plus a reasonable allowance (not more than 5½ percent) for interest on the depreciated amount of capital invested by the employer: *Provided,* That if the total so computed is more than the fair rental value (or the fair price of the commodities or facilities offered for sale), the fair rental value (or the fair price of the commodities or facilities offered for sale) shall be the reasonable cost. The cost of operation and maintenance, the rate of depreciation, and the depreciated amount of capital invested by the employer shall be those arrived at under good accounting practices. As used in this paragraph, the term *good accounting practices* does not include accounting practices which have been rejected by the Internal Revenue Service for tax purposes, and the term *depreciation* includes obsolescence.

(d)(1) The cost of furnishing ''facilities'' found by the Administrator to be primarily for the benefit or convenience of the employer will not be recognized as reasonable and may not therefore be included in computing wages.

(2) The following is a list of facilities found by the Administrator to be primarily for the benefit of convenience of the employer. The list is intended to be illustrative rather than exclusive: (i) Tools of the trade and other materials and services incidental to carrying on the employer's business; (ii) the cost of any construction by and for the employer; (iii) the cost of uniforms and of their laundering, where the nature of the business requires the employee to wear a uniform.

§ H531.6 Effects of collective bargaining agreements

(a) The cost of board, lodging, or other facilities shall not be included as part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide collective bargaining agreement applicable to the particular employee.

(b) A collective bargaining agreement shall be deemed to be ''bona fide'' when pursuant to the provisions of section 7(b)(1) or 7(b)(2) of the FLSA it is made with the certified representative of the employees under the provisions of the CAA.

Part H541—Defining and Delimiting the Terms ''Bona Fide Executive,'' ''Administrative,'' or ''Professional'' Capacity (Including Any Employee Employed in the Capacity of Academic Administrative Personnel or Teacher in Secondary School)

Subpart A—General Regulations

Sec.

H541.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

H541.01 Application of the exemptions of section 13(a)(1) of the FLSA.

H541.1 Executive.

H541.2 Administrative.

H541.3 Professional.

H541.5b Equal pay provisions of section 6(d) of the FLSA as applied by the CAA extend to executive, administrative, and professional employees.

H541.5d Special provisions applicable to employees of public agencies.

Subpart A—General regulations

§ H541.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor regulations	*OC regulations*
541.1 Executive	H541.1
541.2 Administrative	H541.2
541.3 Professional	H541.3
541.5b Equal pay provisions of section 6(d) of the FLSA apply to executive, administrative, and professional employees	H541.5b
541.5d Special provisions applicable to employees of public agencies	H541.5d

§ H541.01 Application of the exemptions of section 13 (a)(1) of the FLSA

(a) Section 13(a)(1) of the FLSA, which provides certain exemptions for employees employed in a bona fide executive, administrative, or professional capacity (including any employee employed in the capacity of academic administrative personnel or teacher in a secondary school), applies to covered employees by virtue of Section 225(f)(1) of the CAA.

(b) The substantive regulations set forth in this part are promulgated under the authority of sections 203(c) and 304 of the CAA, which require that such regulations be the same as the substantive regulations promulgated by the Secretary of Labor except where the Board determines for good cause shown that modifications would be more effective for the implementation of the rights and protections under § 203.

§ H541.1 Executive

The term *employee employed in a bona fide executive * * * capacity* in section 13(a) (1) of the FLSA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of the management of an employing office in which he is employed or of a customarily recognized department of subdivision thereof; and

(b) Who customarily and regularly directs the work of two or more other employees therein; and

(c) Who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring or firing and as to the advancement and promotion or any other change of status of other employees will be given particular weight; and

(d) Who customarily and regularly exercises discretionary powers; and

(e) Who does not devote more than 20 percent, or, in the case of an employee of a retail or service establishment who does not devote as much as 40 percent, of his hours of work in the workweek to activities which are not directly and closely related to the performance of the work described in paragraphs (a) through (d) of this section: *Provided,* That this paragraph shall not apply in the case of an employee who is in sole charge of an independent establishment or a physically separated branch establishment; and

(f) Who is compensated for his services on a salary basis at a rate of not less than $155 per week, exclusive of board, lodging or other facilities: *Provided,* That an employee who is compensated on a salary basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the management of the employing office in which the employee is employed or of a customarily recognized department or subdivision thereof, and includes the customary and regular direction of the work of two or more other employees therein, shall be deemed to meet all the requirements of this section

§ H541.2 Administrative

The term *employee employed in a bona fide * * * administrative * * * capacity* in section 13(a)(1) of the FLSA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of either:

(1) The performance of office or nonmanual work directly related to management policies or general operations of his employer or his employer's customers, or

(2) The performance of functions in the administration of a school system, or educational establishment or institution, or of a department or subdivision thereof, in work directly related to the academic instruction or training carried on therein; and

(b) Who customarily and regularly exercises discretion and independent judgment; and

(c)(1) Who regularly and directly assists the head of an employing office, or an employee employed in a bona fide executive or administrative capacity (as such terms are defined in the regulations of this subpart), or

(2) Who performs under only general supervision work along specialized or technical lines requiring special training, experience, or knowledge, or

(3) Who executes under only general supervision special assignments and tasks; and

(d) Who does not devote more than 20 percent, or, in the case of an employee of a retail or service establishment who does not devote as much as 40 percent, of his hours worked in the workweek to activities which are not directly and closely related to the performance of the work described in paragraphs (a) through (c) of this section; and

(e)(1) Who is compensated for his services on a salary or fee basis at a rate of not less than $155 per week, exclusive of board, lodging or other facilities, or

(2) Who, in the case of academic administrative personnel, is compensated for services as required by paragraph (e)(1) of this section, or on a salary basis which is at least equal to the entrance salary for teachers in the school system, educational establishment or institution by which employed: *Provided,* That an employee who is compensated on a salary or fee basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the performance of work described in paragraph (a) of this section, which includes work requiring the exercise of discretion and independent judgment, shall be deemed to meet all the requirements of this section.

§ H541.3 Professional

The term *employee employed in a bona fide * * * professional capacity* in section 13(a)(1) of the FLSA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of the performance of:

(1) Work requiring knowledge of an advance type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study, as distinguished from a general academic education and from an apprenticeship, and from training in the performance of routine mental, manual, or physical processes, or

(2) Work that is original and creative in character in a recognized field of artistic endeavor (as opposed to work which can be produced by a person endowed with general manual or intellectual ability and training), and the result of which depends primarily on the invention, imagination, or talent of the employee, or

(3) Teaching, tutoring, instructing, or lecturing in the activity of imparting knowledge and who is employed and engaged in this activity as a teacher in the school system, educational establishment or institution by which employed, or

(4) Work that requires theoretical and practical application of highly-specialized knowledge in computer systems analysis, programming, and software engineering, and who is employed and engaged in these activities as a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker in the computer software field; and

(b) Whose work requires the consistent exercise of discretion and judgment in its performance; and

(c) Whose work is predominantly intellectual and varied in character (as opposed to routine mental, manual, mechanical, or physical work) and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and

(d) Who does not devote more than 20 percent of his hours worked in the workweek to activities which are not an essential part of and necessarily incident to the work described in paragraphs (a) through (c) of this section; and

(e) Who is compensated for services on a salary or fee basis at a rate of not less than $170 per week, exclusive of board, lodging or other facilities: *Provided,* That this paragraph shall not apply in the case of an employee who is the holder of a valid license or certificate permitting the practice of law or medicine or any of their branches and who is actually engaged in the practice thereof, nor in the case of an employee who is the holder of the requisite academic degree for the general practice of medicine and is engaged in an internship or resident program pursuant to the practice of medicine or any of its branches, nor in the case of an employee employed and engaged as a teacher as provided in paragraph (a)(3) of this section: *Provided further,* That an employee who is compensated on a salary or fee basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the performance either of work described in paragraph (a) (1), (3), or (4) of this section, which includes work requiring the consistent exercise of discretion and judgment, or of work requiring invention, imagination, or talent in a recognized field of artistic endeavor, shall be deemed to meet all of the requirements of this section: *Provided further*, That the salary or fee requirements of this paragraph shall not apply to an employee engaged in computer-related work within the scope of paragraph (a)(4) of this section and who is compensated on an hourly basis at a rate in excess of 6 1/2 times the minimum wage provided by section 6 of the FLSA as applied by the CAA.

§ H541.5b Equal pay provisions of section 6(d) of the FLSA as applied by the CAA extend to executive, administrative, and professional employees

The FLSA, as amended and as applied by the CAA, includes within the protection of the equal pay provisions those employees exempt from the minimum wage and overtime pay provisions as bona fide executive, administrative, and professional employees (including any employee employed in the capacity of academic administrative personnel or teacher in elementary or secondary schools) under section 13(a)(1) of the FLSA. Thus, for example, where an exempt administrative employee and another employee of

the employing office are performing substantially ''equal work,'' the sex discrimination prohibitions of section 6(d) are applicable with respect to any wage differential between those two employees.

§ H541.5d Special provisions applicable to employees of public agencies

(a) An employee of a public agency who otherwise meets the requirement of being paid on a salary basis shall not be disqualified from exemption under Sec. H541.1, H541.2, or H541.3 on the basis that such employee is paid according to a pay system established by statute, ordinance, or regulation, or by a policy or practice established pursuant to principles of public accountability, under which the employee accrues personal leave and sick leave and which requires the public agency employee's pay to be reduced or such employee to be placed on leave without pay for absences for personal reasons or because of illness or injury of less than one work-day when accrued leave is not used by an employee because—

(1) permission for its use has not been sought or has been sought and denied;

(2) accrued leave has been exhausted; or

(3) the employee chooses to use leave without pay.

(b) Deductions from the pay of an employee of a public agency for absences due to a budget-required furlough shall not disqualify the employee from being paid 'on a salary basis' except in the workweek in which the furlough occurs and for which the employee's pay is accordingly reduced.

Part H547—Requirements of a ''Bona Fide Thrift or Savings Plan''

Sec.
H547.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
H547.0 Scope and effect of part.
H547.1 Essential requirements of qualifications.
H547.2 Disqualifying provisions.

§ H547.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor regulations	*OC regulations*
547.0 Scope and effect of part	H547.0
547.1 Essential requirements of qualifications	H547.1
547.2 Disqualifying provisions	H547.2

§ H547.0 Scope and effect of part

(a) The regulations in this part set forth the requirements of a ''bona fide thrift or savings plan'' under section 7(e)(3)(b) of the Fair Labor Standards Act of 1938, as amended (FLSA), as applied by the CAA. In determining the total remuneration for employment which section 7(e) of the FLSA requires to be included in the regular rate at which an employee is employed, it is not necessary to include any sums paid to or on behalf of such employee, in recognition of services performed by him during a given period, which are paid pursuant to a bona fide thrift or savings plan meeting the requirements set forth herein. In the formulation of these regulations due regard has been given to the factors and standards set forth in section 7(e)(3)(b) of the Act.

(b) Where a thrift or savings plan is combined in a single program (whether in one or more documents) with a plan or trust for providing old age, retirement, life, accident or health insurance or similar benefits for employees, contributions made by the employer pursuant to such thrift or savings plan may be excluded from the regular rate if the plan meets the requirements of the regulation in this part and the contributions made for the other purposes may be excluded from the regular rate if they meet the tests set forth in regulations.

§ H547.1 Essential requirements for qualifications

(a) A ''bona fide thrift or savings plan'' for the purpose of section 7(e)(3)(b) of the FLSA as applied by the CAA is required to meet all the standards set forth in paragraphs (b) through (f) of this section and must not contain the disqualifying provisions set forth in § H547.2.

(b) The thrift or savings plan constitutes a definite program or arrangement in writing, adopted by the employer or by contract as a result of collective bargaining and communicated or made available to the employees, which is established and maintained, in good faith, for the purpose of encouraging voluntary thrift or savings by employees by providing an incentive to employees to accumulate regularly and retain cash savings for a reasonable period of time or to save through the regular purchase of public or private securities.

(c) The plan specifically shall set forth the category or categories of employees participating and the basis of their eligibility. Eligibility may not be based on such factors as hours of work, production, or efficiency of the employees: *Provided, however*, That hours of work may be used to determine eligibility of part-time or casual employees.

(d) The amount any employee may save under the plan shall be specified in the plan or determined in accordance with a definite formula specified in the plan, which formula may be based on one or more factors such as the straight-time earnings or total earnings, base rate of pay, or length of service of the employee.

(e) The employer's total contribution in any year may not exceed 15 percent of the participating employees' total earnings during that year. In addition, the employer's total contribution in any year may not exceed the total amount saved or invested by the participating employees during that year.

(f) The employer's contributions shall be apportioned among the individual employees in accordance with a definite formula or method of calculation specified in the plan, which formula or method of calculation is based on the amount saved or the length of time the individual employee retains his savings or investment in the plan: *Provided*, That no employee's share determined in accordance with the plan may be diminished because of any other remuneration received by him.

§ H547.2 Disqualifying provisions

(a) No employee's participation in the plan shall be on other than a voluntary basis.

(b) No employee's wages or salary shall be dependent upon or influenced by the existence of such thrift or savings plan or the employer's contributions thereto.

(c) The amounts any employee may save under the plan, or the amounts paid by the employer under the plan may not be based upon the employee's hours of work, production or efficiency.

Part H553—Overtime Compensation: Partial Exemption for Employees Engaged in Law Enforcement and Fire Protection; Overtime and Compensatory Time-Off for Employees Whose Work Schedule Directly Depends Upon the Schedule of the House

Introduction

Sec.
H553.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
H553.1 Definitions
H553.2 Purpose and scope
Subpart C—Partial exemption for employees engaged in law enforcement and fire protection
H553.201 Statutory provisions: section 7(k).
H553.202 Limitations.
H553.211 Law enforcement activities.
H553.212 Twenty percent limitation on nonexempt work.
H553.213 Public agency employees engaged in both fire protection and law enforcement activities.
H553.214 Trainees.
H553.215 Ambulance and rescue service employees.
H553.216 Other exemptions.
H553.220 ''Tour of duty'' defined.
H553.221 Compensable hours of work.
H553.222 Sleep time.
H553.223 Meal time.
H553.224 ''Work period'' defined.
H553.225 Early relief.
H553.226 Training time.
H553.227 Outside employment.
H553.230 Maximum hours standards for work periods of 7 to 28 days—section 7(k).
H553.231 Compensatory time off.
H553.232 Overtime pay requirements.
H553.233 ''Regular rate'' defined.
Subpart D—Compensatory time-off for overtime earned by employees whose work schedule directly depends upon the schedule of the House
H553.301 Definition of ''directly depends.''
H553.302 Overtime compensation and compensatory time off for an employee whose work schedule directly depends upon the schedule of the House.
H553.303 Using compensatory time off.
H553.304 Payment of overtime compensation for accrued compensatory time off as of termination of service.

Introduction

§ H553.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor regulations	*OC regulations*
553.1 Definitions	H553.1
553.2 Purpose and scope	H553.2
553.201 Statutory provisions: section 7(k)	H553.201
553.202 Limitations	H553.202
553.211 Law enforcement activities	H553.211
553.212 Twenty percent limitation on nonexempt work	H553.212
553.213 Public agency employees engaged in both fire protection and law enforcement activities	H553.213
553.214 Trainees	H553.214
553.215 Ambulance and rescue service employees	H553.215
553.216 Other exemptions	H553.216

Secretary of Labor regulations	*OC regulations*
553.220 ''Tour of duty'' defined	H553.220
553.221 Compensable hours of work	H553.221
553.222 Sleep time	H553.222
553.223 Meal time	H553.223
553.224 ''Work period'' defined	H553.224
553.225 Early relief	H553.225
553.226 Training time	H553.226
553.227 Outside employment	H553.227
553.230 Maximum hours standards for work periods of 7 to 28 days—section 7(k)	H553.230
553.231 Compensatory time off	H553.231
553.232 Overtime pay requirements	H553.232
553.233 ''Regular rate'' defined	H553.233

Introduction

§ H553.1 Definitions

(a) Act or FLSA means the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201–219), as applied by the CAA.

(b) 1985 Amendments means the Fair Labor Standards Amendments of 1985 (Pub. L. 99–150).

(c) Public agency means an employing office as the term is defined in § 501.102 of this chapter, including the Capitol Police.

(d) Section 7(k) means the provisions of § 7(k) of the FLSA as applied to covered employees and employing offices by § 203 of the CAA.

§ H553.2 Purpose and scope

The purpose of part H553 is to adopt with appropriate modifications the regulations of the Secretary of Labor to carry out those provisions of the FLSA relating to public agency employees as they are applied to covered employees and employing offices of the CAA. In particular, these regulations apply section 7(k) as it relates to fire protection and law enforcement employees of public agencies.

Subpart C—Partial Exemption for employees engaged in law enforcement and fire protection

§ H553.201 Statutory provisions: section 7(k)

Section 7(k) of the Act provides a partial overtime pay exemption for fire protection and law enforcement personnel (including security personnel in correctional institutions) who are employed by public agencies on a work period basis. This section of the Act formerly permitted public agencies to pay overtime compensation to such employees in work periods of 28 consecutive days only after 216 hours of work. As further set forth in § H553.230 of this part, the 216-hour standard has been replaced, pursuant to the study mandated by the statute, by 212 hours for fire protection employees and 171 hours for law enforcement employees. In the case of such employees who have a work period of at least 7 but less than 28 consecutive days, overtime compensation is required when the ratio of the number of hours worked to the number of days in the work period exceeds the ratio of 212 (or 171) hours to 28 days.

§ H553.202 Limitations

The application of § 7(k), by its terms, is limited to public agencies, and does not apply to any private organization engaged in furnishing fire protection or law enforcement services. This is so even if the services are provided under contract with a public agency.

Exemption requirements

§ H553.211 Law enforcement activities

(a) As used in § 7(k) of the Act, the term ''any employee . . . in law enforcement activities'' refers to any employee (1) who is a uniformed or plainclothed member of a body of officers and subordinates who are empowered by law to enforce laws designed to maintain public peace and order and to protect both life and property from accidental or willful injury, and to prevent and detect crimes, (2) who has the power to arrest, and (3) who is presently undergoing or has undergone or will undergo on-the-job training and/or a course of instruction and study which typically includes physical training, self-defense, firearm proficiency, criminal and civil law principles, investigative and law enforcement techniques, community relations, medical aid and ethics.

(b) Employees who meet these tests are considered to be engaged in law enforcement activities regardless of their rank, or of their status as ''trainee,'' ''probationary,'' or ''permanent,'' and regardless of their assignment to duties incidental to the performance of their law enforcement activities such as equipment maintenance, and lecturing, or to support activities of the type described in paragraph (g) of this section, whether or not such assignment is for training or familiarization purposes, or for reasons of illness, injury or infirmity. The term would also include rescue and ambulance service personnel if such personnel form an integral part of the public agency's law enforcement activities. See Sec. H553.215.

(c) Typically, employees engaged in law enforcement activities include police who are regularly employed and paid as such. Other agency employees with duties not specifically mentioned may, depending upon the particular facts and pertinent statutory provisions in that jurisdiction, meet the three tests described above. If so, they will also qualify as law enforcement officers. Such employees might include, for example, any law enforcement employee within the legislative branch concerned with keeping public peace and order and protecting life and property.

(d) Employees who do not meet each of the three tests described above are not engaged in ''law enforcement activities'' as that term is used in sections 7(k). Employees who normally would not meet each of these tests include:

(1) Building inspectors (other than those defined in Sec. H553.213(a)),

(2) Health inspectors,

(3) Sanitarians,

(4) Civilian traffic employees who direct vehicular and pedestrian traffic at specified intersections or other control points,

(5) Civilian parking checkers who patrol assigned areas for the purpose of discovering parking violations and issuing appropriate warnings or appearance notices,

(6) Wage and hour compliance officers,

(7) Equal employment opportunity compliance officers, and

(8) Building guards whose primary duty is to protect the lives and property of persons within the limited area of the building.

(e) The term ''any employee in law enforcement activities'' also includes, by express reference, ''security personnel in correctional institutions. Typically, such facilities may include precinct house lockups. Employees of correctional institutions who qualify as security personnel for purposes of the section 7(k) exemption are those who have responsibility for controlling and maintaining custody of inmates and of safeguarding them from other inmates or for supervising such functions, regardless of whether their duties are performed inside the correctional institution or outside the institution. These employees are considered to be engaged in law enforcement activities regardless of their rank or of their status as ''trainee,'' ''probationary,'' or ''permanent,'' and regardless of their assignment to duties incidental to the performance of their law enforcement activities, or to support activities of the type described in paragraph (f) of this section, whether or not such assignment is for training or familiarization purposes or for reasons of illness, injury or infirmity.

(f) Not included in the term ''employee in law enforcement activities'' are the so-called ''civilian'' employees of law enforcement agencies or correctional institutions who engage in such support activities as those performed by dispatcher, radio operators, apparatus and equipment maintenance and repair workers, janitors, clerks and stenographers. Nor does the term include employees in correctional institutions who engage in building repair and maintenance, culinary services, teaching, or in psychological, medical and paramedical services. This is so even though such employees may, when assigned to correctional institutions, come into regular contact with the inmates in the performance of their duties.

§ H553.212 Twenty percent limitation on nonexempt work

(a) Employees engaged in fire protection or law enforcement activities as described in Sec. H553.210 and H553.211, may also engage in some nonexempt work which is not performed as an incident to or in conjunction with their fire protection or law enforcement activities. For example, firefighters who work for forest conservation agencies may, during slack times, plant trees and perform other conservation activities unrelated to their firefighting duties. The performance of such nonexempt work will not defeat the § 7(k) exemption unless it exceeds 20 percent of the total hours worked by that employee during the workweek or applicable work period. A person who spends more than 20 percent of his/her working time in nonexempt activities is not considered to be an employee engaged in fire protection or law enforcement activities for purposes of this part.

(b) Public agency fire protection and law enforcement personnel may, at their own option, undertake employment for the same employer on an occasional or sporadic and part-time basis in a different capacity from their regular employment. The performance of such work does not affect the application of the § 7(k) exemption with respect to the regular employment. In addition, the hours of work in the different capacity need not be counted as hours worked for overtime purposes on the regular job, nor are such hours counted in determining the 20 percent tolerance for nonexempt work discussed in paragraph (a) of this section.

§ H553.213 Public agency employees engaged in both fire protection and law enforcement activities

(a) Some public agencies have employees (often called ''public safety officers'') who engage in both fire protection and law enforcement activities, depending on the agency needs at the time. This dual assignment would not defeat the section 7(k) exemption, provided that each of the activities performed meets the appropriate tests set forth in Sec. H553.210 and H553.211. This is so regardless of how the employee's time is divided between the two activities. However, all time spent in nonexempt activities by public safety officers within the work period, whether performed in connection with fire protection or law enforcement functions, or with neither, must be combined for purposes of the 20 percent limitation on nonexempt work discussed in Sec. H553.212.

(b) As specified in Sec. H553.230, the maximum hours standards under section 7(k) are different for employees engaged in fire protection and for employees engaged in law enforcement. For those employees who perform both fire protection and law enforcement activities, the applicable standard is the one which applies to the activity in which the employee spends the majority of work time during the work period.

§ H553.214 Trainees

The attendance at a bona fide fire or police academy or other training facility, when required by the employing agency, constitutes engagement in activities under section 7(k) only when the employee meets all the applicable tests described in Sec. H553.210 or Sec. H553.211 (except for the power of arrest for law enforcement personnel), as the case may be. If the applicable tests are met, then basic training or advanced training is considered incidental to, and part of, the employee's fire protection or law enforcement activities.

§ H553.215 Ambulance and rescue service employees

Ambulance and rescue service employees of a public agency other than a fire protection or law enforcement agency may be treated as employees engaged in fire protection or law enforcement activities of the type contemplated by § 7(k) if their services are substantially related to firefighting or law enforcement activities in that (1) the ambulance and rescue service employees have received training in the rescue of fire, crime, and accident victims or firefighters or law enforcement personnel injured in the performance of their respective, duties, and (2) the ambulance and rescue service employees are regularly dispatched to fires, crime scenes, riots, natural disasters and accidents. As provided in Sec. H553.213(b), where employees perform both fire protection and law enforcement activities, the applicable standard is the one which applies to the activity in which the employee spends the majority of work time during the work period.

§ H553.216 Other exemptions

Although the 1974 Amendments to the FLSA as applied by the CAA provide special exemptions for employees of public agencies engaged in fire protection and law enforcement activities, such workers may also be subject to other exemptions in the Act, and public agencies may claim such other applicable exemptions in lieu of § 7(k). For example, section 13(a)(1) as applied by the CAA provides a complete minimum wage and overtime pay exemption for any employee employed in a bona fide executive, administrative, or professional capacity, as those terms are defined and delimited in Part H541. The section 13(a)(1) exemption can be claimed for any fire protection or law enforcement employee who meets all of the tests specified in part H541 relating to duties, responsibilities, and salary. Thus, high ranking police officials who are engaged in law enforcement activities, may also, depending on the facts, qualify for the section 13(a)(1) exemption as ''executive'' employees. Similarly, certain criminal investigative agents may qualify as ''administrative'' employees under section 13(a)(1).

Tour of duty and compensable hours of work rules

§ H553.220 ''Tour of duty'' defined

(a) The term ''tour of duty'' is a unique concept applicable only to employees for whom the section 7(k) exemption is claimed. This term, as used in section 7(k), means the period of time during which an employee is considered to be on duty for purposes of determining compensable hours. It may be a scheduled or unscheduled period. Such periods include ''shifts'' assigned to employees often days in advance of the performance of the work. Scheduled periods also include time spent in work outside the ''shift'' which the public agency employer assigns. For example, a police officer may be assigned to crowd control during a parade or other special event outside of his or her shift.

(b) Unscheduled periods include time spent in court by police officers, time spent handling emergency situations, and time spent working after a shift to complete an assignment. Such time must be included in the compensable tour of duty even though the specific work performed may not have been assigned in advance.

(c) The tour of duty does not include time spent working for a separate and independent employer in certain types of special details as provided in Sec. H553.227.

§ H553.221 Compensable hours of work

(a) The rules under the FLSA as applied by the CAA on compensable hours of work are applicable to employees for whom the section 7(k) exemption is claimed. Special rules for sleep time (Sec. H553.222) apply to both law enforcement and firefighting employees for whom the section 7(k) exemption is claimed. Also, special rules for meal time apply in the case of firefighters (Sec. H553.223).

(b) Compensable hours of work generally include all of the time during which an employee is on duty on the employer's premises or at a prescribed workplace, as well as all other time during which the employee is suffered or permitted to work for the employer. Such time includes all pre-shift and post-shift activities which are an integral part of the employee's principal activity or which are closely related to the performance of the principal activity, such as attending roll call, writing up and completing tickets or reports, and washing and re-racking fire hoses.

(c) Time spent away from the employer's premises under conditions that are so circumscribed that they restrict the employee from effectively using the time for personal pursuits also constitutes compensable hours of work. For example, where a police station must be evacuated because of an electrical failure and the employees are expected to remain in the vicinity and return to work after the emergency has passed, the entire time spent away from the premises is compensable. The employees in this example cannot use the time for their personal pursuits.

(d) An employee who is not required to remain on the employer's premises but is merely required to leave word at home or with company officials where he or she may be reached is not working while on call. Time spent at home on call may or may not be compensable depending on whether the restrictions placed on the employee preclude using the time for personal pursuits. Where, for example, a firefighter has returned home after the shift, with the understanding that he or she is expected to return to work in the event of an emergency in the night, such time spent at home is normally not compensable. On the other hand, where the conditions placed on the employee's activities are so restrictive that the employee cannot use the time effectively for personal pursuits, such time spent on call is compensable.

(e) Normal home to work travel is not compensable, even where the employee is expected to report to work at a location away from the location of the employer's premises.

(f) A police officer, who has completed his or her tour of duty and who is given a patrol car to drive home and use on personal business, is not working during the travel time even where the radio must be left on so that the officer can respond to emergency calls. Of course, the time spent in responding to such calls is compensable.

§ H553.222 Sleep time

(a) Where a public agency elects to pay overtime compensation to firefighters and/or law enforcement personnel in accordance with section 7(a)(1) of the Act, the public agency may exclude sleep time from hours worked if all the conditions for the exclusion of such time are met.

(b) Where the employer has elected to use the section 7(k) exemption, sleep time cannot be excluded from the compensable hours of work where

(1) The employee is on a tour of duty of less than 24 hours, and

(2) Where the employee is on a tour of duty of exactly 24 hours.

(c) Sleep time can be excluded from compensable hours of work, however, in the case of police officers or firefighters who are on a tour of duty of more than 24 hours, but only if there is an expressed or implied agreement between the employer and the employees to exclude such time. In the absence of such an agreement, the sleep time is compensable. In no event shall the time excluded as sleep time exceed 8 hours in a 24-hour period. If the sleep time is interrupted by a call to duty, the interruption must be counted as hours worked. If the sleep period is interrupted to such an extent that the employee cannot get a reasonable night's sleep (which, for enforcement purposes means at least 5 hours), the entire time must be counted as hours of work.

§ H553.223 Meal time

(a) If a public agency elects to pay overtime compensation to firefighters and law enforcement personnel in accordance with section 7(a)(1) of the Act, the public agency may exclude meal time from hours worked if all the statutory tests for the exclusion of such time are met.

(b) If a public agency elects to use the section 7(k) exemption, the public agency may, in the case of law enforcement personnel, exclude meal time from hours worked on tours of duty of 24 hours or less, provided that the employee is completely relieved from duty during the meal period, and all the other statutory tests for the exclusion of such time are met. On the other hand, where law enforcement personnel are required to remain on call in barracks or similar quarters, or are engaged in extended surveillance activities (e.g., ''stakeouts''), they are not considered to be completely relieved from duty, and any such meal periods would be compensable.

(c) With respect to firefighters employed under section 7(k), who are confined to a duty station, the legislative history of the Act indicates Congressional intent to mandate a departure from the usual FLSA ''hours of work'' rules and adoption of an overtime standard keyed to the unique concept of ''tour of duty'' under which firefighters are employed. Where the public agency elects to use the section 7(k) exemption for firefighters, meal time cannot be excluded from the compensable hours of work where (1) the firefighter is on a tour of duty of less than 24 hours, and (2) where the firefighter is on a tour of duty of exactly 24 hours.

(d) In the case of police officers or firefighters who are on a tour of duty of more than 24 hours, meal time may be excluded from compensable hours of work provided that the statutory tests for exclusion of such hours are met.

§ H553.224 ''Work period'' defined

(a) As used in section 7(k), the term ''work period'' refers to any established and regularly recurring period of work which, under

the terms of the Act and legislative history, cannot be less than 7 consecutive days nor more than 28 consecutive days. Except for this limitation, the work period can be of any length, and it need not coincide with the duty cycle or pay period or with a particular day of the week or hour of the day. Once the beginning and ending time of an employee's work period is established, however, it remains fixed regardless of how many hours are worked within the period. The beginning and ending of the work period may be changed, provided that the change is intended to be permanent and is not designed to evade the overtime compensation requirements of the Act.

(b) An employer may have one work period applicable to all employees, or different work periods for different employees or groups of employees.

§ H553.225 Early relief

It is a common practice among employees engaged in fire protection activities to relieve employees on the previous shift prior to the scheduled starting time. Such early relief time may occur pursuant to employee agreement, either expressed or implied. This practice will not have the effect of increasing the number of compensable hours of work for employees employed under section 7(k) where it is voluntary on the part of the employees and does not result, over a period of time, in their failure to receive proper compensation for all hours actually worked. On the other hand, if the practice is required by the employer, the time involved must be added to the employee's tour of duty and treated as compensable hours of work.

§ H553.226 Training time

(a) The general rules for determining the compensability of training time under the FLSA apply to employees engaged in law enforcement or fire protection activities.

(b) While time spent in attending training required by an employer is normally considered compensable hours of work, following are situations where time spent by employees in required training is considered to be noncompensable:

(1) Attendance outside of regular working hours at specialized or follow-up training, which is required by law for certification of public and private sector employees within a particular governmental jurisdiction (e.g., certification of public and private emergency rescue workers), does not constitute compensable hours of work for public employees within that jurisdiction and subordinate jurisdictions.

(2) Attendance outside of regular working hours at specialized or follow-up training, which is required for certification of employees of a governmental jurisdiction by law of a higher level of government, does not constitute compensable hours of work.

(3) Time spent in the training described in paragraphs (b) (1) or (2) of this section is not compensable, even if all or part of the costs of the training is borne by the employer.

(c) Police officers or firefighters, who are in attendance at a police or fire academy or other training facility, are not considered to be on duty during those times when they are not in class or at a training session, if they are free to use such time for personal pursuits. Such free time is not compensable.

§ H553.227 Outside employment

(a) Section 7(p)(1) makes special provision for fire protection and law enforcement employees of public agencies who, at their own option, perform special duty work in fire protection, law enforcement or related activities for a separate and independent employer (public or private) during their off-duty hours. The hours of work for the separate and independent employer are not combined with the hours worked for the primary public agency employer for purposes of overtime compensation.

(b) Section 7(p)(1) applies to such outside employment provided (1) the special detail work is performed solely at the employee's option, and (2) the two employers are in fact separate and independent.

(c) Whether two employers are, in fact, separate and independent can only be determined on a case-by-case basis.

(d) The primary employer may facilitate the employment or affect the conditions of employment of such employees. For example, a police department may maintain a roster of officers who wish to perform such work. The department may also select the officers for special details from a list of those wishing to participate, negotiate their pay, and retain a fee for administrative expenses. The department may require that the separate and independent employer pay the fee for such services directly to the department, and establish procedures for the officers to receive their pay for the special details through the agency's payroll system. Finally, the department may require that the officers observe their normal standards of conduct during such details and take disciplinary action against those who fail to do so.

(e) Section 7(p)(1) applies to special details even where a State law or local ordinance requires that such work be performed and that only law enforcement or fire protection employees of a public agency in the same jurisdiction perform the work. For example, a city ordinance may require the presence of city police officers at a convention center during concerts or sports events. If the officers perform such work at their own option, the hours of work need not be combined with the hours of work for their primary employer in computing overtime compensation.

(f) The principles in paragraphs (d) and (e) of this section with respect to special details of public agency fire protection and law enforcement employees under section 7(p)(1) are exceptions to the usual rules on joint employment set forth in part 791 of this title.

(g) Where an employee is directed by the public agency to perform work for a second employer, section 7(p)(1) does not apply. Thus, assignments of police officers outside of their normal work hours to perform crowd control at a parade, where the assignments are not solely at the option of the officers, would not qualify as special details subject to this exception. This would be true even if the parade organizers reimburse the public agency for providing such services.

(h) Section 7(p)(1) does not prevent a public agency from prohibiting or restricting outside employment by its employees.

OVERTIME COMPENSATION RULES

§ H553.230 Maximum hours standards for work periods of 7 to 28 days—section 7(k)

(a) For those employees engaged in fire protection activities who have a work period of at least 7 but less than 28 consecutive days, no overtime compensation is required under section 7(k) until the number of hours worked exceeds the number of hours which bears the same relationship to 212 as the number of days in the work period bears to 28.

(b) For those employees engaged in law enforcement activities (including security personnel in correctional institutions) who have a work period of at least 7 but less than 28 consecutive days, no overtime compensation is required under section 7(k) until the number of hours worked exceeds the number of hours which bears the same relationship to 171 as the number of days in the work period bears to 28.

(c) The ratio of 212 hours to 28 days for employees engaged in fire protection activities is 7.57 hours per day (rounded) and the ratio of 171 hours to 28 days for employees engaged in law enforcement activities is 6.11 hours per day (rounded). Accordingly, overtime compensation (in premium pay or compensatory time) is required for all hours worked in excess of the following maximum hours standards (rounded to the nearest whole hour):

MAXIMUM HOURS STANDARDS

Work period (days)	Fire protection	Law enforcement
28	212	171
27	204	165
26	197	159
25	189	153
24	182	147
23	174	141
22	167	134
21	159	128
20	151	122
19	144	116
18	136	110
17	129	104
16	121	98
15	114	92
14	106	86
13	98	79
12	91	73
11	83	67
10	76	61
9	68	55
8	61	49
7	53	43

§ H553.231 Compensatory time off

(a) Law enforcement and fire protection employees who are subject to the section 7(k) exemption may receive compensatory time off in lieu of overtime pay for hours worked in excess of the maximum for their work period as set forth in Sec. H553.230.

(b) Section 7(k) permits public agencies to balance the hours of work over an entire work period for law enforcement and fire protection employees. For example, if a firefighter's work period is 28 consecutive days, and he or she works 80 hours in each of the first two weeks, but only 52 hours in the third week, and does not work in the fourth week, no overtime compensation (in cash wages or compensatory time) would be required since the total hours worked do not exceed 212 for the work period. If the same firefighter had a work period of only 14 days, overtime compensation or compensatory time off would be due for 54 hours (160 minus 106 hours) in the first 14 day work period.

§ H553.232 Overtime pay requirements

If a public agency pays employees subject to section 7(k) for overtime hours worked in cash wages rather than compensatory time off, such wages must be paid at one and one-half times the employees' regular rates of pay.

§ H553.233 ''Regular rate'' defined

The statutory rules for computing an employee's ''regular rate'', for purposes of the Act's overtime pay requirements are applicable to employees or whom the section 7(k) exemption is claimed when overtime compensation is provided in cash wages.

Subpart D—Compensatory time-off for overtime earned by employees whose work schedule directly depends upon the schedule of the House

§ H553.301 Definition of ''directly depends''

For the purposes of this Part, a covered employee's work schedule ''directly depends'' on the schedule of the House of Representatives only if the eligible employee performs work that directly supports the conduct of legislative or other business in the chamber and works hours that regularly change in response to the schedule of the House and the Senate.

§ H553.302 Overtime compensation and compensatory time off for an employee whose work schedule directly depends upon the schedule of the House

No employing office shall be deemed to have violated section 203(a)(1) of the CAA, which applies the protections of section 7(a) of the Fair Labor Standards Act (''FLSA'') to covered employees and employing office, by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under section 7(a) of the FLSA where the employee's work schedule directly depends on the schedule of the House of Representatives within the meaning of § H553.301, and: (a) the employee is compensated at the rate of time-and-a-half in pay for all hours in excess of 40 and up to 60 hours in a workweek, and (b) the employee is compensated at the rate of time-and-a-half in either pay or in time off for all hours in excess of 60 hours in a workweek.

§ H553.303 Using compensatory time off

An employee who has accrued compensatory time off under § H553.302 upon his or her request, shall be permitted by the employing office to use such time within a reasonable period after making the request, unless the employing office makes a bona fide determination that the needs of the operations of the office do not allow the taking of compensatory time off at the time of the request. An employee may renew the request at a subsequent time. An employing office may also, upon reasonable notice, require an employee to use accrued compensatory time-off.

§ H553.304 Payment of overtime compensation for accrued compensatory time off as of termination of service

An employee who has accrued compensatory time authorized by this regulation shall, upon termination of employment, be paid for the unused compensatory time at the rate earned by the employee at the time the employee receives such payment.

OTHER EMPLOYING OFFICES OF CONGRESS

FAIR LABOR STANDARDS ACT, FINAL AND INTERIM REGULATIONS RELATING TO THE EMPLOYING OFFICES OTHER THAN THOSE OF THE SENATE AND THE HOUSE OF REPRESENTATIVES

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE FAIR LABOR STANDARDS ACT OF 1938

NOTICE OF ADOPTION OF REGULATIONS AND SUBMISSION FOR APPROVAL AND ISSUANCE OF INTERIM REGULATIONS

Summary: The Board of Directors of the Office of Compliance, after considering comments to its general Notice of Proposed Rulemaking published on November 28, 1995 in the Congressional Record, has adopted, and is submitting for approval by the Congress, final regulations to implement sections 203(a) and 203(c) (1) and (2) of the Congressional Accountability Act of 1995 (''CAA''), which apply certain rights and protections of the Fair Labor Standards Act of 1938. The Board is also adopting and issuing such regulations as interim regulations for the House, the Senate and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

For Further Information Contact: Executive Director, Office of Compliance, Room LA 200, Library of Congress, Washington, D.C. 20540–1999. Telephone: (202) 724–9250.

I. Background and summary

Supplementary Information: The Congressional Accountability Act of 1995 (''CAA''), Pub. L. 104–1, 109 Stat. 3, was enacted on January 23, 1995. 2 U.S.C. §§1301 et seq. In general, the CAA applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. In addition, the statute establishes the Office of Compliance (''Office'') with a Board of Directors (''Board'') as ''an independent office within the legislative branch of the Federal Government.'' Section 203(a) of the CAA applies the rights and protections of subsections a(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (''FLSA'') (29 U.S.C. 206(a)(1) and (d), 207, and 212(c)) to covered employees and employing offices. 2 U.S.C. §1313. Section 203(c)(2) of the CAA directs the Board to issue substantive regulations that ''shall be the same as substantive regulations issued by the Secretary of Labor . . . except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under'' the CAA. 2 U.S.C. §1313(c)(2). On September 28, 1995, the Board of the Office of Compliance issued an Advance Notice of Proposed Rulemaking (''ANPR'') soliciting comments from interested parties in order to obtain participation and information early in the rulemaking process. 141 Cong. Rec. S14542 (daily ed., Sept. 28, 1995).

On November 28, 1995, the Board published in the Congressional Record a Notice of Proposed Rulemaking (NPR) (141 Cong. Rec. S17603–27 (daily ed.)). In response to the NPR, the Board received six written comments, three of which were from offices of the Congress and three of which were from organizations associated with the business community and organized labor. The comments included requests that the Board should provide additional guidance to employing offices on complying with the CAA and compliance issues raised by the ambiguities in the Secretary of Labor's regulations.

Parenthetically, it should also be noted that, on October 11, 1995, the Board published a Notice of Proposed Rulemaking in the Congressional Record (141 Cong. R. S15025 (daily ed., October 11, 1995) (''NPR'')), inviting comments from interested parties on the proposed FLSA regulations which the CAA directed the Board to issue on the definition of ''intern'' and on ''irregular work schedules.'' Final regulations on those matters were separately adopted by the Board on January 16, 1996. However, because they are regulations implementing the rights and protections of the FLSA made applicable by the CAA, the Board has incorporated those regulations into the body of final regulations being adopted pursuant to this Notice. The definition of ''intern'' may be found in section [H or S]501.102(c) & (h), and the ''irregular work schedules'' regulation may be found in sections [H or S or C]553.301–553.304.

II. Consideration of public comments; the Board's response and modifications to the NPR's rules

A. Requests that the Board provide additional guidance, including interpretative bulletins and opinion letters

The Board first turns to the issue of whether and in what circumstances the Board can and should give authoritative guidance to employing offices about issues arising from ambiguities in and uncertain applications of the Secretary's regulations. Commenters have formally and informally requested such guidance in various forms: that the Board change the Secretary's regulations to clarify ambiguities; that the Board adopt the Secretary's interpretive bulletins; that the Board issue the Secretary of Labor's interpretative bulletins as its own regulations; that the Board issue opinion letters constituting safe harbors from litigation; that the Board give its imprimatur, either formally or informally, to employee handbooks and other human resource activities of employing offices. Mindful that the Board's first decisions on these matters will have important institutional and legal implications, the Board has carefully considered these requests, as well as the underlying concerns they reflect.

At the outset, the Board must decline the suggestion that it modify the Secretary's regulations in order to remove the ambiguities and resulting uncertainties that Congressional offices will face in complying with the CAA once it takes effect. The Board's authority to modify the regulations of the Secretary is explicitly limited by the requirement that the substantive regulations issued by the Secretary of Labor ''shall be the same as substantive regulations issued by the Secretary of Labor . . . except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under'' the CAA. As is true of many regulatory issues, ambiguity and uncertainty are part of the the FLSA regulatory regime that is presently imposed—with much criticism and protest—on private sector and state and local government employers.

The example of the executive, administrative and professional employee exemptions illustrates this point. The Board specifically highlighted this problem and asked for comment in its ANPR (141 Cong. Rec. S14542, S14543) on September 28, 1995. Although the Board received many comments on this issue and is sympathetic with the concerns of employing offices confronting such ambiguity and uncertainty, the Board has neither been given nor can find appropriate justification for relieving employing offices of the compliance burdens that all employers face under the FLSA. The CAA was intended not only to bring covered employees the benefits of the FLSA and other incorporated laws, but also to require Congress to experience the same compliance burdens faced by other employers so that it could more fairly legislate in this area. The Board cannot agree with suggestions that would rob the CAA of one of its principal intended effects.

The Board must also decline the suggestion that it adopt, as either formal regulations or as its own interpretive authority, the interpretive bulletins found in Subpart B of Part 541 and elsewhere in the Secretary of Labor's regulations. Section 203(c)(2) of the CAA requires the Board to promulgate regulations that are the same as the *substantive* regulations promulgated by the Secretary. But, as explained in the NPR, the interpretive bulletins set forth in Subpart B of Part 541 and elsewhere in the Secretary of Labor's regulations are not *substantive* regulations within the meaning of the law. Moreover, with respect to the concern expressed by some commenters that congressional employing offices would be at a distinct disadvantage if the Board does not adopt the Secretary's interpretative bulletins, the Board again notes, as it did in the NPR, that the Board need not adopt the Secretary's interpretive bulletins in order for them to be available as guidance for employing offices. While the Board is not adopting these interpretive bulletins, the Board reiterates that, like the myriad judicial decisions under the FLSA that are available as guidance for employing offices, the Secretary's interpretive

bulletins remain available as part of the corpus of interpretive materials to which employing offices may look in structuring their FLSA-related compliance activities. Indeed, as the Board also noted in the NPR, since the CAA may properly be interpreted as incorporating the defenses and exemptions set forth in the Portal-to-Portal Act, an employing office that relies in good faith on an applicable interpretive bulletin of the Secretary may in fact have a statutory defense to an enforcement action brought by a covered employee. In short, contrary to the suggestion of these commenters, the Board need not adopt the Secretary's interpretive bulletins in order to give employing offices the benefit of them.

One commenter went so far as to suggest that, by not adopting the Secretary's interpretive bulletins, the Board has somehow signaled its intent to engage in a wholesale reinterpretation of the FLSA and its implementing regulations. No such signal was sent; no such signal was intended. Since the CAA does not require adoption of these interpretive bulletins, and since they are independently available to employing offices, the Board merely determined that it need not adopt the Secretary's interpretative bulletins as its own. Moreover, like the Administrator and the courts, the Board intends to depart from the interpretive bulletins only where their persuasive force is lacking or the law otherwise requires (just as courts or the Administrator would do). *See Skidmore v. Swift & Co.,* 323 U.S. 134, 137–38 (1944); *Reich v. Interstate Brands Corp.,* 57 F.3d 574, 577 (7th Cir. 1995) (''[W]e give the Secretary's bulletins the respect their reasoning earns them.''); *Dalheim v. KDFW-TV,* 918 F.2d 1220, 1228 (5th Cir. 1990) (''the persuasive authority of a given interpretation obtains only so long as all those factors which give it power to persuade' persist.'') (quoting *Skidmore*).

As an alternative to modifying the regulations and adopting the interpretive bulletins of the Secretary, several commenters also suggested that the Board clarify regulatory ambiguities by issuing interpretive bulletins and advisory opinions of its own and thereby confer a Portal-to-Portal Act defense on employing offices that rely upon any such bulletins or advisory opinions of the Board. Indeed, at least one commenter suggested that the Board should provide advisory opinions and other counsel to employing offices that pose questions to it concerning, for example, the propriety of proposed model personnel practices, the exempt status of employees with specified job descriptions, the legality of proposed handbooks, and the qualification of certain House and Senate programs (such as the Federal Thrift Savings Plan) for defenses or exemptions recognized in the FLSA and the Secretary's regulations. The Board has considered these suggestions and, although empathizing with the concerns motivating these requests, finds these suggestions raise intractable legal and practical problems.

To begin with, the Board upon further study has determined that, contrary to the suggestion of the commenters, the Board cannot confer a Portal-to-Portal Act defense on employing offices for any reliance on pronouncements of the Board (as opposed to the Secretary). By its own terms, in the context of the FLSA, the Portal-to-Portal Act applies only to written administrative actions of the Wage and Hour Administrator of the Department of Labor. *See* 29 U.S.C. §259. The Portal-to-Portal Act does not mention the Board; and the Board's authority to amend the Secretary's regulations for ''good cause'' plainly does not extend to amending statutes such as the Portal-to-Portal Act. Thus, as the federal court of appeals which has jurisdiction over such matters under the CAA has held in an almost identical context, the Portal-to-Portal Act would not confer a defense upon employing offices that might rely upon a pronouncement of the Board. *See Berg v. Newman,* 982 F.2d 500, 503–504 (Fed Cir. 1992) (''To apply the statute to a regulation issued by OPM, an agency not referred to in section 259, would extend the section 259 exception beyond its scope''; ''OPM's absence from section 259 prevents the Government from both adopting and shielding itself from liability for faulty regulations.'') The final regulations so state.

Second, contrary to the assumption of these commenters, the Board has neither the legal basis nor the practical ability to issue the kind of interpretive bulletins or advisory opinions being requested. While the Administrator of the Wage and Hour Division entertains questions posed by employers about enforcement-related issues, the Administrator's willingness and ability to respond to such questions derives from and is constrained by her *investigatory* and *enforcement* responsibilities under the FLSA. As the Supreme Court stated over 50 years ago in *Skidmore v. Swift & Co.,* 323 U.S. 134, 137-38 (1944) (citations omitted): ''Congress did not utilize the services of an administrative agency to find facts and to determine in the first instance whether particular cases fall within or without the Act. Instead, it put these responsibilities on the courts. But it did create the office of Administrator, impose upon him a variety of duties, endow him with powers to inform himself of conditions in industries and employments subject to the Act, and put on him the duties of bringing injunction actions to restrain violations. Pursuit of his duties has accumulated a considerable experience in the problems of ascertaining working time in employments involving periods of inactivity and a knowledge of the customs prevailing in reference to their solution. From these he is obliged to reach conclusions as to conduct without the law, so that he should seek injunctions to stop it, and that within the law, so that he has no call to interfere. He has set forth his views of the application of the Act under different circumstances in an interpretative bulletin and in informal rulings. They provide a practical guide to employers and employees as to how the office representing the public interest in its enforcement will seek to apply it.''

In contrast, the Board has no investigative power by which it can inform itself of conditions, circumstances and customs of employment in the legislative branch; its resources for finding and considering such information are smaller by orders of substantial magnitude; and, most importantly, the Board has no cause to advise employees and employing offices concerning how it will seek to enforce the statute, since it has no enforcement powers under the CAA.

Indeed, on reflection, it seems unwise, if not legally improper, for the Board to set forth its views on interpretive ambiguities in the regulations outside of the adjudicatory context of individual cases. As noted above, the Board's rulemaking authority is quite restricted. Moreover, the Board has no enforcement authority and, in contrast to the FLSA scheme (where the Administrator has no adjudicatory authority to find facts and to determine in the first instance whether particular cases fall within or without the statute), the CAA contemplates that the Board will adjudicate cases brought by covered employees and that, in such adjudications, the Board must be of independent and open mind, bound to and limited by a factual record developed through an adversarial process governed by rules of law, and subject to judicial review of its decisions. See 2 U.S.C. §§1405–1407 (procedure for complaint, hearing, board review and judicial review; requiring hearings to be conducted in accordance with 5 U.S.C. §§554–557); 29 U.S.C. §§554–557. These legal safeguards and the institutional objectives they seek to promote—i.e., the accuracy of the Board's adjudicative decisions and the integrity of the Board's processes—would be undermined if the Board were to attempt to prejudge ambiguous or disputed interpretive matters in advisory opinions that were developed in non-adversarial, non-public proceedings. The Board thus cannot acquiesce in requests for such advisory opinions.

Some commenters suggested that the Board could properly issue such interpretive bulletins and advisory opinions under the rubric of the ''education'' and ''information'' programs allowed and, indeed, mandated by section 301(h) of the CAA. Of course, the Office's education and information programs are not the subject of this notice and comment and thus a discussion of ''education'' and ''information'' programs is not necessary to this rulemaking effort. But, upon due consideration of matter, it appears that this suggestion is based upon a fundamental misunderstanding of the institutional powers and responsibilities conferred upon and withheld from the Board and the Office by Congress in the CAA. Thus, it is both fair and prudent to address the issue at this point.

At the outset, the Board notes that Section 301(h)'s reference to ''education'' and ''information'' programs is not the broad mandate that these comments suggest. In contrast to other statutory schemes, section 301(h) does not authorize, much less compel, the development by the Board or the Office of ''training'' or ''technical assistance'' programs such as those that are included in the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Occupational Safety and Health Act of 1970, the Employee Polygraph Protection Act of 1988, and the Age Discrimination in Employment Act of 1967. Nor does the CAA authorize, much less compel, the issuance of interpretive bulletins, advisory opinions or enforcement guidelines, as agencies with investigative and prosecutorial powers (and matching resources) are sometimes allowed (although almost never compelled) to issue. Rather, section 301(h) directs the Office to carry out ''a program of education for members of Congress and other employing authorities of the legislative branch of the Federal Government respecting the laws made applicable to them''; and ''a program to inform individuals of their rights under laws applicable to the legislative branch of the Federal Government.'' 2 U.S.C. §1381(h). Such admonitions are, however, contained in almost all federal employment laws; and those experienced in the field understand them to concern only programs that ensure general ''awareness'' of rights and responsibilities under the pertinent law.

Section 301(h) must be read in the context of the powers granted to and withheld from the Board in the statutory scheme created by the CAA. The CAA authorizes the Board to engage in rulemaking, but requires the Board to follow specified procedures in doing so and, at least in the context of the FLSA, requires the Board to have ''good cause'' for departing from the Secretary of Labor's substantive regulations. Moreover, the CAA authorizes the Board to engage in adjudication, but only after a complaint is filed with the Office, a record is properly developed through an adversarial process governed by rules of law, and judicial review is assured. And the CAA rather pointedly declines to confer upon the Board the investigatory and prosecutorial authority that is necessary for sound decisionmaking and interpretation outside of the regulatory and adjudicatory

contexts. Given this statutory scheme, section 301(h)'s ''education and information'' mandate cannot reasonably be construed to require (or even allow) the Board to engage in the kind of advisory counseling requested here—i.e., authoritative opinions developed in nonpublic, nonadversarial proceedings.

Indeed, Congress appears effectively to have considered this issue in the CAA and to have rejected the kind of relationship between the Board and employing offices that is contemplated by this request. The legislative history reflects a recognition that ''the office must, in appearance and reality, be independent in order to gain and keep the confidence of the employees and employers who will utilize the dispute resolution process created by this act.'' 141 Cong. Rec. at S627. The legislative history further reflects a recognition that ''laws cannot be enforced in a fair and uniform manner—and employees and the public cannot be convinced that the laws are being enforced in a fair and uniform manner—unless Congress establishes a single enforcement mechanism that is independent of each House of Congress.'' 141 Cong. Rec. at S444. The statute thus declares that the Office of Compliance is an ''independent office'' in the legislative branch; that the Office is governed by a Board of Directors whose members were appointed on a bi-partisan basis for non-partisan reasons, who may be removed in only quite limited circumstances, and whose incomes are largely derived from work in the private sector; and that the Board must follow formal public comment and adjudicatory procedures in making any decisions with legal effect. 2 U.S.C. §§1381(a), (b), (e), (f), (g), 1384, 1405–6. The call for issuing advisory opinions in the ''education'' and ''information'' process—opinions that would be issued in non-public, non-adversarial proceedings without regard to the statutorily-required public comment and adjudicatory procedures—is in intolerable tension with the institutional independence, inclusiveness and procedural regularity contemplated for the Board by the CAA.

In all events, the Board would in the exercise of its considered judgment decline to provide authoritative opinions to employing offices as part of its ''education'' and ''information'' programs. Without investigatorial and prosecutorial authority (and matching resources), the Board has insufficient information and thus is practicably unable to provide such authoritative opinions. With severely restricted rulemaking authority, the Board cannot properly provide regulatory clarifications for employing offices when those clarifications have not been provided by the Secretary to private sector and state and local government employers. And, with its adjudicatory powers, the Board should not resolve disputed interpretive matters in the absence of a specific factual controversy, a record developed through an adversarial process governed by rules of law, and an opportunity for judicial review. To do otherwise would simply impair the independence, impartiality, and irreproachability of the Board's actions. In short, for much the same reasons that federal courts do not issue advisory opinions or *ex parte* decisions, neither should the Board. *See United States* v. *Freuhauf*, 365 U.S. 146, 157 (1961) (Frankfurter, J.) (discussing vices of advisory opinions).

To be sure, ''education'' and ''information'' programs are of central importance to the CAA scheme. Such programs are needed, in part, to help employing offices in their efforts to understand and satisfy their compliance obligations under the CAA. And the Board reiterates its intention, stated in the NPR, that the Office sponsor, and participate in, seminars on the obligations of employing offices, distribute a comprehensive manual to address frequently arising questions under the CAA (including questions relating to FLSA exemptions), and be available generally to discuss compliance-related issues when called upon by employing offices. But the Board itself will not and should not in this education and information process issue authoritative opinions about such matters as the exemption status of employees with specified job duties, the propriety of particular model handbooks and policies developed by employing offices, and the qualification of certain House and Senate programs (such as the Federal Thrift Savings Plan) for particular defenses and exemptions that are available under the regulations. Characterizing such interpretive activity as ''educational'' or ''informational'' does not in any way address, much less satisfactorily resolve, the serious legal and institutional concerns that make it unwise, if not improper, for the Board to engage in such interpretive activities outside of the adjudicative processes established by the CAA.

The Board recognizes that, by declining to provide such authoritative advisory opinions, the Board is forcing employing offices to rely to a greater extent upon their own counsel and human resources officials and in a sense is frustrating the efforts of employing offices to obtain desirable safe-harbors. The FLSA as currently applied to private employers contains few such safe-harbors, particularly in the area of exemptions. But many knowledgeable labor lawyers and human resources officials are available to provide employing offices with the kind of learned counsel and human resources advice that the employing offices are seeking from the Board; indeed, the House and Senate have centralized administrations and committees that can provide this legal support to employing offices. And employing offices have the benefit of the same legal safe-harbors that the Secretary of Labor has made available to private sector and State and local government employers. Under the CAA, they are legally entitled to no more.

Even more importantly, however, the Board finds that the long-term institutional harm to the CAA scheme that would result from the Board's providing such advisory opinions in non-public, non-adversarial proceedings far outweighs whatever short-term legal or political benefits might result for employing offices. As noted above, provision by the Board of such opinions could impair confidence in the independence, impartiality and irreproachability of the Board's decisionmaking processes. Such a lack of confidence could unfortunately induce employees to take their cases to court rather than bring them to the Board's less costly, confidential and expedited alternative dispute resolution process. Even more seriously, such a lack of confidence could cause the public and other interested persons to question the Board's commitment, and thus the sincerity of the CAA's promise, generally to provide covered employees the same benefits, and to subject the legislative branch to the same legal burdens, as exist with regard to private sector and State and local government employers that are subject to the FLSA. We are confident that, like the bi-partisan Congressional leadership who appointed us and who placed their trust in our experience and judgment concerning how best to implement this statute, those in Congress who voted for the CAA or who would support it today would want us to prefer the long term viability, integrity, and efficacy of this noble statutory enterprise over the short-term demands of employing offices.

B. Specific comments and Board action

1. §§541.1,.2,.3—''White collar'' exemptions—Use of job descriptions to determine exempt status

The Board received several comments urging the Board, on the basis of generic job descriptions, to give advice to employing offices on whether covered employees are exempt as bona fide executive, administrative, or professional employees under FLSA §13(a)(1) as applied by the CAA. As noted above, it would not be appropriate to attempt to give such advice in the context of this rulemaking. The Board would note, as a further point, that submission of such descriptions which may describe functions of congressional employees would not, in any event, provide the detail necessary to determine the exempt or nonexempt status of the job. Job descriptions that utilize language or phraseology derived from the regulations today adopted by the Board do not provide the specificity of conclusions regarding exempt or nonexempt status. The Secretary's regulations, as adopted by the Board, speak for themselves. It would serve no purpose, and provide no guidance, simply to repeat the statutory standards for exemption in a job description without reference to the particular functions of a particular employee. The Fair Labor Standards Act is clear that actual function, and not description or job title, govern the exempt status of an employee. See, e.g., 29 C.F.R. §541.201 (3)(b)(1),(2).

2. §541.5d—Special rule for "white collar" employees of a public agency

Under §13(a)(1) of the FLSA, which is incorporated by reference under §225(f)(1) of the CAA, a salaried employee who is a bona fide executive, administrative, or professional employee need not be paid overtime compensation for hours worked in excess of the statutory maximum. Sections 541.1, 541.2, and 541.3, 29 C.F.R., of the Secretary of Labor's regulations respectively define the criteria for each of these ''white collar'' exemptions. Since they are substantive regulations, the Board in its NPR proposed to adopt them.

Among the regulations not proposed for adoption was §541.5d. This regulation provides that an employee shall not lose his or her ''white collar'' exemption where a ''public agency'' employer reduces an exempt employee's pay or places the employee on unpaid leave in certain circumstances for partial-day absences. As explained in the Federal Register Notice announcing its adoption, the Secretary of Labor issued §541.5d in response to concerns that the application of the FLSA to State and local governments would undermine well-settled ''policies of public accountability'' that require public employees (including those who would otherwise be exempt) to incur a reduction in pay if they absent themselves from work under certain circumstances. 57 Fed. Reg. 37677 (Aug. 19, 1992).

The Board originally did not propose adoption of this regulation. However, one commenter pointed out that, by its terms, §541.5d covers a ''public agency,'' which is a statutory term defined in §3(x) of the FLSA to include ''the government of the United States.'' As a definitional provision, §3(x) is incorporated into the CAA by virtue of §225(f)(1), and Congress is undeniably a branch of the ''government of the United States.''

The Board finds merit in the commenter's argument. Moreover, the adoption of this regulation is well in keeping with the Board's mandate to promulgate rules that are ''the same as substantive regulations promulgated by the Department of Labor to

implement'' those FLSA statutory provisions made applicable by the CAA. Accordingly, §541.5d will be adopted with a minor change that substitutes for the citation to §541.118 (an interpretative bulletin) the phrase ''being paid on a salary basis,'' which is derived directly from the substantive regulations defining the ''white collar'' exemptions (i.e., 29 C.F.R. §§541.1,.2,.3).

3. Partial Overtime Exemption for Law Enforcement Officers

The Board did not propose to adopt any sections of 29 C.F.R. Part 553, which govern the application of the FLSA to employees of State and local governments. Subparts A and B of that Part address a variety of issues, including certain exclusions pertaining to elected legislative offices, the use of compensatory time off, recordkeeping, and the employment of volunteers. Subpart C addresses the special provisions which Congress enacted in §7(k) in connection with fire protection and law enforcement employees of public agencies.

Section 7(k) of the FLSA also provides a partial overtime exemption for fire protection and law enforcement employees of a public agency. Based on tour-of-duty averages that were determined by the Secretary of Labor in 1975, an employer need not pay overtime if, in a work period of 28 consecutive days, the employee receives a tour of duty which in the aggregate does not exceed 212 hours for fire protection activity or does not exceed 171 hours for law enforcement activity. Thus, for law enforcement personnel, work in excess of 171 hours during the 28-day period triggers the requirement to pay overtime compensation. For a work period of at least 7 but less than 28 consecutive days, overtime must be paid when the ratio of the number of hours worked to the number of days in the work period exceeds the 171-hours-to-28-days ratio (rounded to the nearest whole hour).

Although the regulations by their terms apply only to ''public agencies'' of State and local governments, one commenter observed that the underlying statutory provisions are not so limited but rather apply to any ''public agency,'' which by definition includes the Federal government (See §3(x) of the FLSA). Accordingly, it was argued that the Board should adopt those regulations implementing the §7(k) partial overtime exemption insofar as it would apply to the law enforcement work of the Capitol Police.

For the reasons noted above that support adoption of §541.5d, the Board finds that the pertinent sections of Subpart C of Part 553 should also be adopted. Section 7(k) provides a direct textual basis for applying the relevant regulations. Thus, under the regulations, the Capitol Police as an employing office of law enforcement personnel shall have two options: It may pay such personnel overtime compensation on the basis of a 40-hour workweek. Alternatively, it may claim the section 7(k) exemption by establishing a valid work period that follows the criteria set forth in the regulations.

The Board is aware that Congress has enacted special provisions governing overtime compensation and compensatory time off for Capitol Police officers. 40 U.S.C. §206b (for police on the House's payroll) and §206c (for police on the Senate's payroll). However, the regulations being adopted here do not purport to modify those statutory provisions; and whether 40 U.S.C. §§206b-206c grant rights and protections to law enforcement employees that preclude the Capitol Police from availing itself of §7(k) of the FLSA is a question that the Board does not address. The regulations simply specify the rules for overtime policies that conform to the FLSA.

4. §570.35a—Work experience programs for minors

The CAA makes applicable to the legislative branch FLSA §12(c), which prohibits the use of oppressive child labor, and FLSA §3(l), which defines ''oppressive child labor.'' In its NPR, the Board proposed adopting as part of the CAA rules applicable to the Senate certain substantive regulations of Part 570, 29 C.F.R., implementing these statutory provisions. This proposal was based on the Board's understanding that the Senate has a practice of appointing pages under 18 years of age.

One commenter confirmed this understanding by reporting that the Senate Page Program does employ minors under the age of 16. Thus, under the proposed regulations, there are limitations on the periods and the conditions under which such minors can work. Without disputing the applicability of this regulation, the commenter sought to mitigate its impact by urging the adoption of an additional regulation found in 29 C.F.R. Part 570, Subpart C, namely the rule that varies some of the provisions of Subpart C in the context of school-supervised and school-administered work-experience or career exploration programs that have been individually approved by the Wage and Hour Administrator. 29 C.F.R. §570.35a.

After carefully reviewing the provisions of §570.35a, the Board finds that it would not be appropriate to adopt this regulation. There is no available ''State Educational Agency'' in the context of the CAA; State law is not properly applicable here; and the Board is obviously not competent to set educational standards. In short, there are legal and practical reasons why this regulation is unworkable in the context of Federal legislative branch employment, and the Board thus has ''good cause'' not to adopt it.

5. Board determination on regulations ''required'' to be issued in connection with §411 default provision

Section 411 of the CAA provides in pertinent part that ''if the Board has not issued a regulation on a matter for which [the CAA] requires a regulation to be issued the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue.'' By its own terms, this provision comes into play only where it is determined that the Board has not issued a regulation that is required by the CAA. Thus, before a Department of Labor regulation can be invoked, an adjudicator must make a threshold determination that the regulation concerns a matter as to which the Board was obligated under the CAA to issue a regulation.

As noted in the NPR, it was apparent in reviewing Chapter V of 29 C.F.R., which contains all the regulations of the Secretary of Labor issued to implement the FLSA generally, many of those regulations were not legally ''required'' to be issued as CAA regulations because the underlying FLSA provisions were not made applicable under the CAA. And there are other regulations that the Board has ''good cause'' not to issue because, for example, they have no applicability to legislative branch employment.

None of the comments to the NPR quarrelled with the Board's conclusion not to adopt those regulations that have little practical application. Therefore, the Board is not issuing regulations predicated upon the following Parts of 29 C.F.R.: Parts 519–528, which authorize subminimum wages for full-time students, student-learners, apprentices, learners, messengers, workers with disabilities, and student workers; Part 548, which authorizes in the collective bargaining context the establishment of basic wage rates for overtime compensation purposes; and Part 551, which implements an overtime exemption for local delivery drivers and helpers.

The comments did identify several individual regulations as to which there is not good cause to not adopt. As explained elsewhere, those regulations are being included in the final rules. However, in the main, the comments did not dispute the inapplicability of those Parts of 29 C.F.R. deemed legally irrelevant.

Accordingly, in keeping with its announced intent in the NPR, the Board is including in its final rules a declaration to the effect that the Board has issued those regulations that, as both a legal and practical matter, it is ''required'' to promulgate to implement the statutory provisions of the FLSA that are made applicable to the legislative branch by the CAA.

The Board has carefully reviewed the entire corpus of the Secretary's regulations, has sought comment on its proposal concerning the regulations that it should (and should not adopt), and has considered those comments in formulating its final rules. The Board has acted based on this review and consideration and in order to prevent wasteful litigation about whether the omission of a regulation from the Secretary in the Board's regulations was intended or not.

6. Recordkeeping and notice posting

One comment essentially requested that the Board revisit an issue which it resolved after receiving comments to its Advanced Notice of Proposed Rulemaking (ANPR) published on October 11, 1995. The ANPR had solicited public comments on certain questions to assist the Board in drafting proposed FLSA regulations, including the question of whether the FLSA provisions regarding recordkeeping and the notice posting were made applicable by the CAA. As explained in the NPR, after evaluating the comments and carefully reviewing the CAA, the Board concluded that ''the CAA explicitly did not incorporate the notice posting and recordkeeping requirements of Section 11, 29 U.S.C. §211 of the FLSA.'' The most recent comment offered no further statutory evidence to support a change in the Board's original conclusion.

7. Technical and nomenclature changes

A commenter suggested a number of technical and nomenclature changes to the proposed regulations to make them more precise in their application to the legislative branch. The Board has incorporated many of the suggested changes. However, by making these changes, the Board does not intend a substantive difference in meaning of these sections of the Board's regulations and those of the Secretary from which the Board's regulations are derived.

III. Adoption of proposed rules as final regulations under section 304(b)(3) and as interim regulations

Having considered the public comments to the proposed rules, the Board pursuant to section 304(b) (3) and (4) of the CAA is adopting these final regulations and transmitting them to the House and the Senate with recommendations as to the method of approval by each body under section 304(c). However, the rapidly approaching effective date of the CAA's implementation necessitates that the Board take further action with respect to these regulations. For the reasons explained below, the Board is also today adopting and issuing these rules as interim regulations that will be effective as of January 23, 1996 or the time upon which appropriate resolutions of approval of these interim regulations are passed by the House and/or the Senate, whichever is later. These interim regulations

will remain in effect until the earlier of April 15, 1996 or the dates upon which the House and Senate complete their respective consideration of the final regulations that the Board is herein adopting.

The Board finds that it is necessary and appropriate to adopt such interim regulations and that there is ''good cause'' for making them effective as of the later of January 23, 1996, or the time upon which appropriate resolutions of approval of them are passed by the House and the Senate. In the absence of the issuance of such interim regulations, covered employees, employing offices, and the Office of Compliance staff itself would be forced to operate in regulatory uncertainty. While section 411 of the CAA provides that, ''if the Board has not issued a regulation on a matter for which this Act requires a regulation to be issued, the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue in the proceeding,'' covered employees, employing offices and the Office of Compliance staff might not know what regulation, if any, would be found applicable in particular circumstances absent the procedures suggested here. The resulting confusion and uncertainty on the part of covered employees and employing offices would be contrary to the purposes and objectives of the CAA, as well as to the interests of those whom it protects and regulates. Moreover, since the House and the Senate will likely act on the Board's final regulations within a short period of time, covered employees and employing offices would have to devote considerable attention and resources to learning, understanding, and complying with a whole set of default regulations that would then have no future application. These interim regulations prevent such a waste of resources.

The Board's authority to issue such interim regulations derives from sections 411 and 304 of the CAA. Section 411 gives the Board authority to determine whether, in the absence of the issuance of a final regulation by the Board, it is necessary and appropriate to apply the substantive regulations of the executive branch in implementing the provisions of the CAA. Section 304(a) of the CAA in turn authorizes the Board to issue substantive regulations to implement the Act. Moreover, section 304(b) of the CAA instructs that the Board shall adopt substantive regulations ''in accordance with the principles and procedures set forth in section 553 of title 5, United States Code,'' which have in turn traditionally been construed by courts to allow an agency to issue ''interim'' rules where the failure to have rules in place in a timely manner would frustrate the effective operation of a federal statute. See, e.g., *Philadelphia Citizens in Action v. Schweiker*, 669 F.2d 877 (3d Cir. 1982). As noted above, in the absence of the Board's adoption and issuance of these interim rules, such a frustration of the effective operation of the CAA would occur here.

In so interpreting its authority, the Board recognizes that in section 304 of the CAA, Congress specified certain procedures that the Board must follow in issuing substantive regulations. In section 304(b), Congress said that, except as specified in section 304(e), the Board must follow certain notice and comment and other procedures. The interim regulations in fact have been subject to such notice and comment and such other procedures of section 304(b).

In issuing these interim regulations, the Board also recognizes that section 304(c) specifies certain procedures that the House and the Senate are to follow in approving the Board's regulations. The Board is of the view that the essence of section 304(c)'s requirements are satisfied by making the effectiveness of these interim regulations conditional on the passage of appropriate resolutions of approval by the House and/or the Senate. Moreover, section 304(c) appears to be designed primarily for (and applicable to) final regulations of the Board, which these interim regulations are not. In short, section 304(c)'s procedures should not be understood to prevent the issuance of interim regulations that are necessary for the effective implementation of the CAA.

Indeed, the promulgation of these interim regulations clearly conforms to the spirit of section 304(c) and, in fact promotes its proper operation. As noted above, the interim regulations shall become effective only upon the passage of appropriate resolutions of approval, which is what section 304(c) contemplates. Moreover, these interim regulations allow more considered deliberation by the House and the Senate of the Board's final regulations under section 304(c).

The House has in fact already signalled its approval of such interim regulations both for itself and for the instrumentalities. On December 19, 1995, the House adopted H. Res. 311 and H. Con. Res. 123, which approve ''on a provisional basis'' regulations ''issued by the Office of Compliance before January 23, 1996.'' The Board believes these resolutions are sufficient to make these interim regulations effective for the House on January 23, 1996, though the House might want to pass new resolutions of approval in response to this pronouncement of the Board.

To the Board's knowledge, the Senate has not yet acted on H. Con. Res. 123, nor has it passed a counterpart to H. Res. 311 that would cover employing offices and employees of the Senate. As stated herein, it must do so if these interim regulations are to apply to the Senate and the other employing offices of the instrumentalities (and to prevent the default rules of the executive branch from applying as of January 23, 1996).

IV. Method of approval

The Board received no comments on the method of approval for these regulations. Therefore, the Board continues to recommend that (1) the version of the regulations that shall apply to the Senate and employees of the Senate should be approved by the Senate by resolution; (2) the version of the regulations that shall apply to the House of Representatives and employees of the House of Representatives should be approved by the House of Representatives by resolution; and (3) the version of the regulations that shall apply to other covered employees and employing offices should be approved by the Congress by concurrent resolution.

With respect to the interim version of these regulations, the Board recommends that the Senate approve them by resolution insofar as they apply to the Senate and employees of the Senate. In addition, the Board recommends that the Senate approve them by concurrent resolution insofar as they apply to other covered employees and employing offices. It is noted that the House has expressed its approval of the regulations insofar as they apply to the House and its employees through its passage of H. Res. 311 on December 19, 1995. The House also expressed its approval of the regulations insofar as they apply to other employing offices through passage of H. Con. Res. 123 on the same date; this concurrent resolution is pending before the Senate.

ADOPTED REGULATIONS—AS INTERIM AND AS FINAL REGULATIONS

Subtitle C—Regulations relating to the employing offices other than those of the Senate and the House of Representatives—C series

Chapter III—Regulations Relating to the Rights and Protections Under the Fair Labor Standards Act of 1938

Part C501—General provisions

Sec.
C501.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
C501.101 Purpose and scope.
C501.102 Definitions.
C501.103 Coverage.
C501.104 Administrative authority.
C501.105 Effect of Interpretations of the Labor Department.
C501.106 Application of the Portal-to-Portal Act of 1947.
C501.107 Duration of interim regulations.

§ C501.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the parts of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding parts of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor regulations	*OC regulations*
Part 531 Wage payments under the Fair Labor Standards Act of 1938	Part C531
Part 541 Defining and delimiting the terms ''bona fide executive,'' ''administrative,'' and ''professional'' employees	Part C541
Part 547 Requirements of a ''Bona fide thrift or savings plan''	Part C547
Part 553 Application of the FLSA to employees of public agencies	Part C553
Part 570 Child labor	Part C570

Subpart A—Matters of general applicability

§ C501.101 Purpose and scope

(a) Section 203 of the Congressional Accountability Act (CAA) provides that the rights and protections of subsections (a)(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (FLSA) (29 U.S.C. §§ 206(a)(1) & (d), 207, 212(c)) shall apply to covered employees of the legislative branch of the Federal government. Section 301 of the CAA creates the Office of Compliance as an independent office in the legislative branch for enforcing the rights and protections of the FLSA, as applied by the CAA.

(b) The FLSA as applied by the CAA provides for minimum standards for both wages and overtime entitlements, and delineates administrative procedures by which covered worktime must be compensated. Included also in the FLSA are provisions related to child labor, equal pay, and portal-to-portal activities. In addition, the FLSA exempts specified employees or groups of employees from the application of certain of its provisions.

(c) This chapter contains the substantive regulations with respect to the FLSA that the Board of Directors of the Office of Compliance has adopted pursuant to Sections 203(c) and 304 of the CAA, which requires that the Board promulgate regulations that are ''the same as substantive regulations promulgated by the Secretary of Labor to

implement the statutory provisions referred to in subsection (a) [of §203 of the CAA] except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.''

(d) These regulations are issued by the Board of Directors, Office of Compliance, pursuant to sections 203(c) and 304 of the CAA, which directs the Board to promulgate regulations implementing section 203 that are ''the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection a [of section 203 of the CAA] except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' The regulations issued by the Board herein are on all matters for which section 203 of the CAA requires a regulations to be issued. Specifically, it is the Board's considered judgment, based on the information available to it at the time of the promulgation of these regulations, that, with the exception of regulations adopted and set forth herein, there are no other ''substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 203 of the CAA].''

(e) In promulgating these regulations, the Board has made certain technical and nomenclature changes to the regulations as promulgated by the Secretary. Such changes are intended to make the provisions adopted accord more naturally to situations in the legislative branch. However, by making these changes, the Board does not intend a substantive difference between these regulations and those of the Secretary from which they are derived. Moreover, such changes, in and of themselves, are not intended to constitute an interpretation of the regulation or of the statutory provisions of the CAA upon which they are based.

§ C501.102 Definitions

For purposes of this chapter:

(a) *CAA* means the Congressional Accountability Act of 1995 (P.L. 104–1, 109 Stat. 3, 2 U.S.C. §§1301–1438).

(b) *FLSA* or *Act* means the Fair Labor Standards Act of 1938, as amended (29 U.S.C. §201 et seq.), as applied by section 203 of the CAA to covered employees and employing offices.

(c) *Covered employee* means any employee, including an applicant for employment and a former employee, of the (1) the Capitol Guide Service; (2) the Capitol Police; (3) the Congressional Budget Office; (4) the Office of the Architect of the Capitol; (5) the Office of the Attending Physician; (6) the Office of Compliance; or (7) the Office of Technology Assessment, but shall not include an intern.

(d)(1) *Employee of the Office of the Architect of the Capitol* includes any employee of the Architect of the Capitol, the Botanic Garden, or the Senate Restaurants;

(2) *Employee of the Capitol Police* includes any member or officer of the Capitol Police.

(e) *Employing office* and *employer* mean (1) the Capitol Guide Service; (2) the Capitol Police; (3) the Congressional Budget Office; (4) the Office of the Architect of the Capitol; (5) the Office of the Attending Physician; (6) the Office of Compliance; or (7) the Office of Technology Assessment.

(f) *Board* means the Board of Directors of the Office of Compliance.

(g) *Office* means the Office of Compliance.

(h) *Intern* is an individual who (a) is performing services in an employing office as part of a demonstrated educational plan, and (b) is appointed on a temporary basis for a period not to exceed 12 months; *provided* that if an intern is appointed for a period shorter than 12 months, the intern may be reappointed for additional periods as long as the total length of the internship does not exceed 12 months; *provided further* that the defintion of *intern* does not include volunteers, fellows or pages.

§ C501.103 Coverage

The coverage of Section 203 of the CAA extends to any covered employee of an employing office without regard to whether the covered employee is engaged in commerce or the production of goods for interstate commerce and without regard to size, number of employees, amount of business transacted, or other measure.

§C501.104 Administrative authority

(a) The Office of Compliance is authorized to administer the provisions of Section 203 of the Act with respect to any covered employee or covered employer.

(b) The Board is authorized to promulgate substantive regulations in accordance with the provisions of Sections 203(c) and 304 of the CAA.

§ C501.105 Effect of interpretations of the Department of Labor

(a) In administering the FLSA, the Wage and Hour Division of the Department of Labor has issued not only substantive regulations but also interpretative bulletins. Substantive regulations represent an exercise of statutorily-delegated lawmaking authority from the legislative branch to an administrative agency. Generally, they are proposed in accordance with the notice-and-comment procedures of the Administrative Procedure Act (APA), 5 U.S.C. §553. Once promulgated, such regulations are considered to have the force and effect of law, unless set aside upon judicial review as arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. See *Batterton v. Francis*, 432 U.S. 416, 425 n.9 (1977). See also 29 C.F.R. §790.17(b) (1994). Unlike substantive regulations, interpretative statements, including bulletins and other releases of the Wage and Hour Division, are not issued pursuant to the provisions of the APA and may not have the force and effect of law. Rather, they may only constitute official interpretations of the Department of Labor with respect to the meaning and application of the minimum wage, maximum hour, and overtime pay requirements of the FLSA. See 29 C.F.R. §790.17(c) (citing Final Report of the Attorney General's Committee on Administrative Procedure, Senate Document No.8, 77th Cong., 1st Sess., at p. 27 (1941)). The purpose of such statements is to make available in one place the interpretations of the FLSA which will guide the Secretary of Labor and the Wage and Hour Administrator in the performance of their duties unless and until they are otherwise directed by authoritative decisions of the courts or conclude, upon reexamination of an interpretation, that it is incorrect. The Supreme Court has observed: ''[T]he rulings, interpretations and opinions of the Administrator under this Act, while not controlling upon the courts by reason of their authority, do constitute a body of experience and informed judgment to which courts and litigants may properly resort for guidance. The weight of such a judgment in a particular case will depend upon the thoroughness evident in the consideration, the validity of its reasoning, its consistency with earlier and later pronouncements, and all those factors which give it power to persuade, if lacking power to control.'' *Skidmore v. Swift*, 323 U.S. 134, 140 (1944).

(b) Section 203(c) of the CAA provides that the substantive regulations implementing Section 203 of the CAA shall be ''the same as substantive regulations promulgated by the Secretary of Labor'' except where the Board finds, for good cause shown, that a modification would more effectively implement the rights and protections established by the FLSA. Thus, the CAA by its terms does not mandate that the Board adopt the interpretative statements of the Department of Labor or its Wage and Hour Division. The Board is thus not adopting such statements as part of its substantive regulations.

§ C501.106 Application of the Portal-to-Portal Act of 1947

(a) Consistent with Section 225 of the CAA, the Portal to Portal Act (PPA), 29 U.S.C. §§216 and 251 *et seq.*, is applicable in defining and delimiting the rights and protections of the FLSA that are prescribed by the CAA. Section 10 of the PPA, 29 U.S.C. §259, provides in pertinent part: ''[N]o employer shall be subject to any liability or punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, . . . if he pleads and proves that the act or omission complained of was in good faith in conformity with and reliance on any written administrative regulation, order, ruling, approval or interpretation of [the Administrator of the Wage and Hour Division of the Department of Labor] . . . or any administrative practice or enforcement policy of such agency with respect to the class of employers to which he belonged. Such a defense, if established shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.''

(b) In defending any action or proceeding based on any act or omission arising out of section 203 of the CAA, an employing office may satisfy the standards set forth in subsection (a) by pleading and proving good faith reliance upon any written administrative regulation, order, ruling, approval or interpretation, of the Administrator of the Wage and Hour Division of the Department of Labor: *Provided,* that such regulation, order, ruling approval or interpretation had not been superseded at the time of reliance by any regulation, order, decision, or ruling of the Board or the courts.

§ C501.107 Duration of interim regulations

These interim regulations for the House, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

Part C531—Wage Payments Under the Fair Labor Standards Act of 1938

Subpart A—Preliminary Matters

Sec.
C531.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
C531.1 Definitions.
C531.2 Purpose and scope.
Subpart B—Determinations of ''reasonable cost'' and ''fair value''; effects of collective bargaining agreements
C531.3 General determinations of ''reasonable cost''.
C531.6 Effects of collective bargaining agreements.

A—Preliminary matters

§ C531.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor regulations	*OC regulations*
531.1 Definitions	C531.1
531.2 Purpose and scope	C531.2
531.3 General determinations of ''reasonable cost''	C531.3
Effects of collective bargaining agreements	C531.6

§ C531.1 Definitions

(a) *Administrator* means the Administrator of the Wage and Hour Division or his authorized representative. The Secretary of Labor has delegated to the Administrator the functions vested in him under section 3(m) of the Act.

(b) *Act* means the Fair Labor Standards Act of 1938, as amended.

§ C531.2 Purpose and scope

(a) Section 3(m) of the Act defines the term 'wage' to include the 'reasonable cost', as determined by the Secretary of Labor, to an employer of furnishing any employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by the employer to his employees. In addition, section 3(m) gives the Secretary authority to determine the 'fair value' of such facilities on the basis of average cost to the employer or to groups of employers similarly situated, on average value to groups of employees, or other appropriate measures of 'fair value.' Whenever so determined and when applicable and pertinent, the 'fair value' of the facilities involved shall be includable as part of 'wages' instead of the actual measure of the costs of those facilities. The section provides, however, that the cost of board, lodging, or other facilities shall not be included as part of 'wages' if excluded therefrom by a bona fide collective bargaining agreement. Section 3(m) also provides a method for determining the wage of a tipped employee.

(b) This part 531 contains any determinations made as to the 'reasonable cost' and 'fair value' of board, lodging, or other facilities having general application.

Subpart B—Determinations of ''reasonable cost'' and ''fair value''; effects of collective bargaining agreements

§ C531.3 General determinations of 'reasonable cost'

(a) The term *reasonable cost* as used in section 3(m) of the Act is hereby determined to be not more than the actual cost to the employer of the board, lodging, or other facilities customarily furnished by him to his employees.

(b) Reasonable cost does not include a profit to the employer or to any affiliated person.

(c) The reasonable cost to the employer of furnishing the employee with board, lodging, or other facilities (including housing) is the cost of operation and maintenance including adequate depreciation plus a reasonable allowance (not more than 5½ percent) for interest on the depreciated amount of capital invested by the employer: *Provided*, That if the total so computed is more than the fair rental value (or the fair price of the commodities or facilities offered for sale), the fair rental value (or the fair price of the commodities or facilities offered for sale) shall be the reasonable cost. The cost of operation and maintenance, the rate of depreciation, and the depreciated amount of capital invested by the employer shall be those arrived at under good accounting practices. As used in this paragraph, the term *good accounting practices* does not include accounting practices which have been rejected by the Internal Revenue Service for tax purposes, and the term *depreciation* includes obsolescence.

(d)(1) The cost of furnishing 'facilities' found by the Administrator to be primarily for the benefit or convenience of the employer will not be recognized as reasonable and may not therefore be included in computing wages.

(2) The following is a list of facilities found by the Administrator to be primarily for the benefit of convenience of the employer. The list is intended to be illustrative rather than exclusive: (i) Tools of the trade and other materials and services incidental to carrying on the employer's business; (ii) the cost of any construction by and for the employer; (iii) the cost of uniforms and of their laundering, where the nature of the business requires the employee to wear a uniform.

§ C531.6 Effects of collective bargaining agreements

(a) The cost of board, lodging, or other facilities shall not be included as part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide collective bargaining agreement applicable to the particular employee.

(b) A collective bargaining agreement shall be deemed to be ''bona fide'' when pursuant to the provisions of section 7(b)(1) or 7(b)(2) of the FLSA it is made with the certified representative of the employees under the provisions of the CAA.

Part C541—Defing and Delimiting the Terms ''Bona Fide Executive,'' ''Administrative,'' or ''Professional'' Capacity (Including Any Employee Employed in the Capacity of Academic Administrative Personnel or Teacher in Secondary School)

Subpart A—General regulations

Sec.

C541.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

C541.01 Application of the exemptions of section 13(a)(1) of the FLSA.

C541.1 Executive.

C541.2 Administrative.

C541.3 Professional.

C541.5b Equal pay provisions of section 6(d) of the FLSA as applied by the CAA extend to executive, administrative, and professional employees.

C541.5d Special provisions applicable to employees of public agencies.

Subpart A—General regulations

§ C541.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations at Title 29 of the Code of Federal Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor Regulations	*OC Regulations*
541.1 Executive	C541.1
541.2 Administrative	C541.2
541.3 Professional	C541.3
541.5b Equal pay provisions of section 6(d) of the FLSA apply to executive, administrative, and professional employees.	C541.5b
541.5d Special provisions applicable to employees of public agencies	C541.5d

§ C541.01 Application of the exemptions of section 13 (a)(1) of the FLSA

(a) Section 13(a)(1) of the FLSA, which provides certain exemptions for employees employed in a bona fide executive, administrative, or professional capacity (including any employee employed in the capacity of academic administrative personnel or teacher in a secondary school), applies to covered employees by virtue of Section 225(f)(1) of the CAA.

(b) The substantive regulations set forth in this part are promulgated under the authority of sections 203(c)and 304 of the CAA, which require that such regulations be the same as the substantive regulations promulgated by the Secretary of Labor except where the Board determines for good cause shown that modifications would be more effective for the implementation of the rights and protections under § 203.

§ C541.1 Executive

The term *employee employed in a bona fide executive* * * * capacity in section 13(a) (1) of the FLSA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of the management of an employing office in which he is employed or of a customarily recognized department of subdivision thereof; and

(b) Who customarily and regularly directs the work of two or more other employees therein; and

(c) Who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring or firing and as to the advancement and promotion or any other change of status of other employees will be given particular weight; and

(d) Who customarily and regularly exercises discretionary powers; and

(e) Who does not devote more than 20 percent, or, in the case of an employee of a retail or service establishment who does not devote as much as 40 percent, of his hours of work in the workweek to activities which are not directly and closely related to the performance of the work described in paragraphs (a) through (d) of this section: *Provided*, That this paragraph shall not apply in the case of an employee who is in sole charge of an independent establishment or a physically separated branch establishment; and

(f) Who is compensated for his services on a salary basis at a rate of not less than $155 per week, exclusive of board, lodging or other facilities: *Provided*, That an employee who is compensated on a salary basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the management of the employing office in which the employee is employed or of a customarily recognized department or subdivision thereof, and includes the customary and regular direction of the work of two or more other employees therein, shall be deemed to meet all the requirements of this section

§ C541.2 Administrative

The term *employee employed in a bona fide* * * * *administrative* * * * *capacity* in section 13(a)(1) of the FLSA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of either:

(1) The performance of office or nonmanual work directly related to management policies or general operations of his employer or his employer's customers, or

(2) The performance of functions in the administration of a school system, or educational establishment or institution, or of a department or subdivision thereof, in work directly related to the academic instruction or training carried on therein; and

(b) Who customarily and regularly exercises discretion and independent judgment; and

(c)(1) Who regularly and directly assists the head of an employing office, or an employee employed in a bona fide executive or administrative capacity (as such terms are defined in the regulations of this subpart), or

(2) Who performs under only general supervision work along specialized or technical lines requiring special training, experience, or knowledge, or

(3) Who executes under only general supervision special assignments and tasks; and

(d) Who does not devote more than 20 percent, or, in the case of an employee of a retail or service establishment who does not devote as much as 40 percent, of his hours worked in the workweek to activities which are not directly and closely related to the performance of the work described in paragraphs (a) through (c) of this section; and

(e)(1) Who is compensated for his services on a salary or fee basis at a rate of not less than $155 per week, exclusive of board, lodging or other facilities, or

(2) Who, in the case of academic administrative personnel, is compensated for services as required by paragraph (e)(1) of this section, or on a salary basis which is at least equal to the entrance salary for teachers of in the school system, educational establishment or institution by which employed: *Provided*, That an employee who is compensated on a salary or fee basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the performance of work described in paragraph (a) of this section, which includes work requiring the exercise of discretion and independent judgment, shall be deemed to meet all the requirements of this section.

§ C541.3 Professional

The term *employee employed in a bona fide * * * professional capacity* in section 13(a)(1) of the FLSA as applied by the CAA shall mean any employee:

(a) Whose primary duty consists of the performance of:

(1) Work requiring knowledge of an advance type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study, as distinguished from a general academic education and from an apprenticeship, and from training in the performance of routine mental, manual, or physical processes, or

(2) Work that is original and creative in character in a recognized field of artistic endeavor (as opposed to work which can be produced by a person endowed with general manual or intellectual ability and training), and the result of which depends primarily on the invention, imagination, or talent of the employee, or

(3) Teaching, tutoring, instructing, or lecturing in the activity of imparting knowledge and who is employed and engaged in this activity as a teacher in school system, educational establishment or institution by which employed, or

(4) Work that requires theoretical and practical application of highly-specialized knowledge in computer systems analysis, programming, and software engineering, and who is employed and engaged in these activities as a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker in the computer software field; and

(b) Whose work requires the consistent exercise of discretion and judgment in its performance; and

(c) Whose work is predominantly intellectual and varied in character (as opposed to routine mental, manual, mechanical, or physical work) and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and

(d) Who does not devote more than 20 percent of his hours worked in the workweek to activities which are not an essential part of and necessarily incident to the work described in paragraphs (a) through (c) of this section; and

(e) Who is compensated for services on a salary or fee basis at a rate of not less than $170 per week, exclusive of board, lodging or other facilities: *Provided*, That this paragraph shall not apply in the case of an employee who is the holder of a valid license or certificate permitting the practice of law or medicine or any of their branches and who is actually engaged in the practice thereof, nor in the case of an employee who is the holder of the requisite academic degree for the general practice of medicine and is engaged in an internship or resident program pursuant to the practice of medicine or any of its branches, nor in the case of an employee employed and engaged as a teacher as provided in paragraph (a)(3) of this section: *Provided further*, That an employee who is compensated on a salary or fee basis at a rate of not less than $250 per week, exclusive of board, lodging or other facilities, and whose primary duty consists of the performance either of work described in paragraph (a) (1), (3), or (4) of this section, which includes work requiring the consistent exercise of discretion and judgment, or of work requiring invention, imagination, or talent in a recognized field of artistic endeavor, shall be deemed to meet all of the requirements of this section: *Provided further*, That the salary or fee requirements of this paragraph shall not apply to an employee engaged in computer-related work within the scope of paragraph (a)(4) of this section and who is compensated on an hourly basis at a rate in excess of 6 1/2 times the minimum wage provided by section 6 of the FLSA as applied by the CAA.

§ C541.5b Equal pay provisions of section 6(d) of the FLSA as applied by the CAA extend to executive, administrative, and professional employees

The FLSA, as amended and as applied by the CAA, includes within the protection of the equal pay provisions those employees exempt from the minimum wage and overtime pay provisions as bona fide executive, administrative, and professional employees (including any employee employed in the capacity of academic administrative personnel or teacher in elementary or secondary schools) under section 13(a)(1) of the FLSA. Thus, for example, where an exempt administrative employee and another employee of the employing office are performing substantially ''equal work,'' the sex discrimination prohibitions of section 6(d) are applicable with respect to any wage differential between those two employees.

§ C541.5d Special provisions applicable to employees of public agencies

(a) An employee of a public agency who otherwise meets the requirement of being paid on a salary basis shall not be disqualified from exemption under Sec. C541.1, C541.2, or C541.3 on the basis that such employee is paid according to a pay system established by statute, ordinance, or regulation, or by a policy or practice established pursuant to principles of public accountability, under which the employee accrues personal leave and sick leave and which requires the public agency employee's pay to be reduced or such employee to be placed on leave without pay for absences for personal reasons or because of illness or injury of less than one work-day when accrued leave is not used by an employee because—(1) permission for its use has not been sought or has been sought and denied; (2) accrued leave has been exhausted; or (3) the employee chooses to use leave without pay.

(b) Deductions from the pay of an employee of a public agency for absences due to a budget-required furlough shall not disqualify the employee from being paid 'on a salary basis' except in the workweek in which the furlough occurs and for which the employee's pay is accordingly reduced.

Part C547—Requirements of a ''Bona Fide Thrift or Savings Plan

Sec.
C547.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance
C547.0 Scope and effect of part.
C547.1 Essential requirements of qualifications.
C547.2 Disqualifying provisions.

§ C547.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.

The following table lists the sections of the Secretary of Labor Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor regulations	*OC regulations*
547.0 Scope and effect of part	C547.0
547.1 Essential requirements of qualifications	C547.1
547.2 Disqualifying provisions	C547.2

§ C547.0 Scope and effect of part

(a) The regulations in this part set forth the requirements of a ''bona fide thrift or savings plan'' under section 7(e)(3)(b) of the Fair Labor Standards Act of 1938, as amended (FLSA), as applied by the CAA. In determining the total remuneration for employment which section 7(e) of the FLSA requires to be included in the regular rate at which an employee is employed, it is not necessary to include any sums paid to or on behalf of such employee, in recognition of services performed by him during a given period, which are paid pursuant to a bona fide thrift or savings plan meeting the requirements set forth herein. In the formulation of these regulations due regard has been given to the factors and standards set forth in section 7(e)(3)(b) of the Act.

(b) Where a thrift or savings plan is combined in a single program (whether in one or more documents) with a plan or trust for providing old age, retirement, life, accident or health insurance or similar benefits for employees, contributions made by the employer pursuant to such thrift or savings plan may be excluded from the regular rate if the plan meets the requirements of the regulation in this part and the contributions made for the other purposes may be excluded from the regular rate if they meet the tests set forth in regulations.

§ C547.1 Essential requirements for qualifications

(a) A ''bona fide thrift or savings plan'' for the purpose of section 7(e)(3)(b) of the FLSA as applied by the CAA is required to meet all the standards set forth in paragraphs (b) through (f) of this section and must not contain the disqualifying provisions set forth in § 547.2.

(b) The thrift or savings plan constitutes a definite program or arrangement in writing, adopted by the employer or by contract as a result of collective bargaining and communicated or made available to the employees, which is established and maintained, in good faith, for the purpose of encouraging voluntary thrift or savings by employees by providing an incentive to employees to accumulate regularly and retain cash savings for a reasonable period of time or to save through the regular purchase of public or private securities.

(c) The plan specifically shall set forth the category or categories of employees participating and the basis of their eligibility. Eligibility may not be based on such factors as hours of work, production, or efficiency of the employees: *Provided, however*, That hours of work may be used to determine eligibility of part-time or casual employees.

(d) The amount any employee may save under the plan shall be specified in the plan or determined in accordance with a definite formula specified in the plan, which formula may be based on one or more factors such as the straight-time earnings or total earnings, base rate of pay, or length of service of the employee.

(e) The employer's total contribution in any year may not exceed 15 percent of the participating employees' total earnings during that year. In addition, the employer's total contribution in any year may not exceed the total amount saved or invested by the participating employees during that year.

(f) The employer's contributions shall be apportioned among the individual employees in accordance with a definite formula or method of calculation specified in the plan, which formula or method of calculation is based on the amount saved or the length of time the individual employee retains his savings or investment in the plan: *Provided*, That no employee's share determined in accordance with the plan may be diminished because of any other remuneration received by him.

§ C547.2 Disqualifying provisions

(a) No employee's participation in the plan shall be on other than a voluntary basis.

(b) No employee's wages or salary shall be dependent upon or influenced by the existence of such thrift or savings plan or the employer's contributions thereto.

(c) The amounts any employee may save under the plan, or the amounts paid by the employer under the plan may not be based upon the employee's hours of work, production or efficiency.

Part C553—Overtime Compensation: Partial Exemption for Employees Engaged in Law Enforcement and Fire Protection; Overtime and Compensatory Time-Off for Employees Whose Work Schedule Directly Depends Upon the Schedule of the House

Introduction

Sec.
C553.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
C553.1 Definitions.
C553.2 Purpose and scope.
Subpart C—Partial exemption for employees engaged in law enforcement and fire protection
C553.201 Statutory provisions: section 7(k).
C553.202 Limitations.
C553.211 Law enforcement activities.
C553.212 Twenty percent limitation on nonexempt work.
C553.213 Public agency employees engaged in both fire protection and law enforcement activities.
C553.214 Trainees.
C553.215 Ambulance and rescue service employees.
C553.216 Other exemptions.
C553.220 ''Tour of duty'' defined.
C553.221 Compensable hours of work.
C553.222 Sleep time.
C553.223 Meal time.
C553.224 ''Work period'' defined.
C553.225 Early relief.
C553.226 Training time.
C553.227 Outside employment.
C553.230 Maximum hours standards for work periods of 7 to 28 days—section 7(k).
C553.231 Compensatory time off.
C553.232 Overtime pay requirements.
C553.233 ''Regular rate'' defined.
Subpart D—Compensatory time-off for overtime earned by employees whose work schedule directly depends upon the schedule of the House
C553.301 Definition of ''directly depends.'' .....
C553.302 Overtime compensation and compensatory time off for an employee whose work schedule directly depends upon the schedule of the House.
C553.303 Using compensatory time off.
C553.304 Payment of overtime compensation for accrued compensatory time off as of termination of service.

Introduction

§ C553.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations under the FLSA with the corresponding sections of the Office of Compliance (OC) Regulations under Section 203 of the CAA:

Secretary of Labor regulations	*OC regulations*
553.1 Definitions	C553.1
553.2 Purpose and scope	C553.2
553.201 Statutory provisions: section 7(k)	C553.201
553.202 Limitations	C553.202
553.211 Law enforcement activities	C553.211
553.212 Twenty percent limitation on nonexempt work	C553.212
553.213 Public agency employees engaged in both fire protection and law enforcement activities	C553.213
553.214 Trainees	C553.214
553.215 Ambulance and rescue service employees	C553.215
553.216 Other exemptions	C553.216
553.220 ''Tour of duty'' defined	C553.220
553.221 Compensable hours of work	C553.221
553.222 Sleep time	C553.222
553.223 Meal time	C553.223
553.224 ''Work period'' defined	C553.224
553.225 Early relief	C553.225
553.226 Training time	C553.226
553.227 Outside employment	C553.227
553.230 Maximum hours standards for work periods of 7 to 28 days—section 7(k)	C553.230
553.231 Compensatory time off	C553.231
553.232 Overtime pay requirements	C553.232
553.233 ''Regular rate'' defined	C553.233

Introduction

§ C553.1 Definitions

(a) Act or FLSA means the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201–219), as applied by the CAA.

(b) 1985 Amendments means the Fair Labor Standards Amendments of 1985 (Pub. L. 99–150).

(c) Public agency means an employing office as the term is defined in § 501.102 of this chapter, including the Capitol Police.

(d) Section 7(k) means the provisions of § 7(k) of the FLSA as applied to covered employees and employing offices by § 203 of the CAA.

§ C553.2 Purpose and scope

The purpose of part C553 is to adopt with appropriate modifications the regulations of the Secretary of Labor to carry out those provisions of the FLSA relating to public agency employees as they are applied to covered employees and employing offices of the CAA. In particular, these regulations apply section 7(k) as it relates to fire protection and law enforcement employees of public agencies.

Subpart C—Partial exemption for employees engaged in law enforcement and fire protection

§ C553.201 Statutory provisions: section 7(k).

Section 7(k) of the Act provides a partial overtime pay exemption for fire protection and law enforcement personnel (including security personnel in correctional institutions) who are employed by public agencies on a work period basis. This section of the Act formerly permitted public agencies to pay overtime compensation to such employees in work periods of 28 consecutive days only after 216 hours of work. As further set forth in § C553.230 of this part, the 216-hour standard has been replaced, pursuant to the study mandated by the statute, by 212 hours for fire protection employees and 171 hours for law enforcement employees. In the case of such employees who have a work period of at least 7 but less than 28 consecutive days, overtime compensation is required when the ratio of the number of hours worked to the number of days in the work period exceeds the ratio of 212 (or 171) hours to 28 days.

§ C553.202 Limitations

The application of § 7(k), by its terms, is limited to public agencies, and does not apply to any private organization engaged in furnishing fire protection or law enforcement services. This is so even if the services are provided under contract with a public agency.

Exemption requirements

§ C553.211 Law enforcement activities

(a) As used in § 7(k) of the Act, the term 'any employee . . . in law enforcement activities' refers to any employee (1) who is a uniformed or plainclothed member of a body of officers and subordinates who are empowered by law to enforce laws designed to maintain public peace and order and to protect both life and property from accidental or willful injury, and to prevent and detect crimes, (2) who has the power to arrest, and (3) who is presently undergoing or has undergone or will undergo on-the-job training and/or a course of instruction and study which typically includes physical training, self-defense, firearm proficiency, criminal and civil law principles, investigative and law enforcement techniques, community relations, medical aid and ethics.

(b) Employees who meet these tests are considered to be engaged in law enforcement activities regardless of their rank, or of their status as 'trainee,' 'probationary,' or 'permanent,' and regardless of their assignment to duties incidental to the performance of their law enforcement activities such as equipment maintenance, and lecturing, or to support activities of the type described in paragraph (g) of this section, whether or not such assignment is for training or familiarization purposes, or for reasons of illness, injury or infirmity. The term would also include rescue and ambulance service personnel if such

personnel form an integral part of the public agency's law enforcement activities. See Sec. C553.215.

(c) Typically, employees engaged in law enforcement activities include police who are regularly employed and paid as such. Other agency employees with duties not specifically mentioned may, depending upon the particular facts and pertinent statutory provisions in that jurisdiction, meet the three tests described above. If so, they will also qualify as law enforcement officers. Such employees might include, for example, any law enforcement employee within the legislative branch concerned with keeping public peace and order and protecting life and property.

(d) Employees who do not meet each of the three tests described above are not engaged in (law enforcement activities' as that term is used in sections 7(k). Employees who normally would not meet each of these tests include:

(1) Building inspectors (other than those defined in Sec. C553.213(a)),

(2) Health inspectors,

(3) Sanitarians,

(4) civilian traffic employees who direct vehicular and pedestrian traffic at specified intersections or other control points,

(5) Civilian parking checkers who patrol assigned areas for the purpose of discovering parking violations and issuing appropriate warnings or appearance notices,

(6) Wage and hour compliance officers,

(7) Equal employment opportunity compliance officers, and

(8) Building guards whose primary duty is to protect the lives and property of persons within the limited area of the building.

(e) The term 'any employee in law enforcement activities' also includes, by express reference, 'security personnel in correctional institutions.' Typically, such facilities may include precinct house lockups. Employees of correctional institutions who qualify as security personnel for purposes of the section 7(k) exemption are those who have responsibility for controlling and maintaining custody of inmates and of safeguarding them from other inmates or for supervising such functions, regardless of whether their duties are performed inside the correctional institution or outside the institution. These employees are considered to be engaged in law enforcement activities regardless of their rank or of their status as 'trainee,' 'probationary,' or 'permanent,' and regardless of their assignment to duties incidental to the performance of their law enforcement activities, or to support activities of the type described in paragraph (f) of this section, whether or not such assignment is for training or familiarization purposes or for reasons of illness, injury or infirmity.

(f) Not included in the term 'employee in law enforcement activities' are the so-called 'civilian' employees of law enforcement agencies or correctional institutions who engage in such support activities as those performed by dispatcher, radio operators, apparatus and equipment maintenance and repair workers, janitors, clerks and stenographers. Nor does the term include employees in correctional institutions who engage in building repair and maintenance, culinary services, teaching, or in psychological, medical and paramedical services. This is so even though such employees may, when assigned to correctional institutions, come into regular contact with the inmates in the performance of their duties.

§ C553.212 Twenty percent limitation on nonexempt work

(a) Employees engaged in fire protection or law enforcement activities as described in Sec. C553.210 and C553.211, may also engage in some nonexempt work which is not performed as an incident to or in conjunction with their fire protection or law enforcement activities. For example, firefighters who work for forest conservation agencies may, during slack times, plant trees and perform other conservation activities unrelated to their firefighting duties. The performance of such nonexempt work will not defeat the §7(k) exemption unless it exceeds 20 percent of the total hours worked by that employee during the workweek or applicable work period. A person who spends more than 20 percent of his/her working time in nonexempt activities is not considered to be an employee engaged in fire protection or law enforcement activities for purposes of this part.

(b) Public agency fire protection and law enforcement personnel may, at their own option, undertake employment for the same employer on an occasional or sporadic and part-time basis in a different capacity from their regular employment. The performance of such work does not affect the application of the §7(k) exemption with respect to the regular employment. In addition, the hours of work in the different capacity need not be counted as hours worked for overtime purposes on the regular job, nor are such hours counted in determining the 20 percent tolerance for nonexempt work discussed in paragraph (a) of this section.

§ C553.213 Public agency employees engaged in both fire protection and law enforcement activities

(a) Some public agencies have employees (often called 'public safety officers') who engage in both fire protection and law enforcement activities, depending on the agency needs at the time. This dual assignment would not defeat the section 7(k) exemption, provided that each of the activities performed meets the appropriate tests set forth in Sec. C553.210 and C553.211. This is so regardless of how the employee's time is divided between the two activities. However, all time spent in nonexempt activities by public safety officers within the work period, whether performed in connection with fire protection or law enforcement functions, or with neither, must be combined for purposes of the 20 percent limitation on nonexempt work discussed in Sec.C553.212.

(b) As specified in Sec.C553.230, the maximum hours standards under section 7(k) are different for employees engaged in fire protection and for employees engaged in law enforcement. For those employees who perform both fire protection and law enforcement activities, the applicable standard is the one which applies to the activity in which the employee spends the majority of work time during the work period.

§ C553.214 Trainees

The attendance at a bona fide fire or police academy or other training facility, when required by the employing agency, constitutes engagement in activities under section 7(k) only when the employee meets all the applicable tests described in Sec. C553.210 or Sec. C553.211 (except for the power of arrest for law enforcement personnel), as the case may be. If the applicable tests are met, then basic training or advanced training is considered incidental to, and part of, the employee's fire protection or law enforcement activities.

§ C553.215 Ambulance and rescue service employees

Ambulance and rescue service employees of a public agency other than a fire protection or law enforcement agency may be treated as employees engaged in fire protection or law enforcement activities of the type contemplated by §7(k) if their services are substantially related to firefighting or law enforcement activities in that (1) the ambulance and rescue service employees have received training in the rescue of fire, crime, and accident victims or firefighters or law enforcement personnel injured in the performance of their respective duties, and (2) the ambulance and rescue service employees are regularly dispatched to fires, crime scenes, riots, natural disasters and accidents. As provided in Sec. C553.213(b), where employees perform both fire protection and law enforcement activities, the applicable standard is the one which applies to the activity in which the employee spends the majority of work time during the work period.

§ C553.216 Other exemptions

Although the 1974 Amendments to the FLSA as applied by the CAA provide special exemptions for employees of public agencies engaged in fire protection and law enforcement activities, such workers may also be subject to other exemptions in the Act, and public agencies may claim such other applicable exemptions in lieu of §7(k). For example, section 13(a)(1) as applied by the CAA provides a complete minimum wage and overtime pay exemption for any employee employed in a bona fide executive, administrative, or professional capacity, as those terms are defined and delimited in Part C541. The section 13(a)(1) exemption can be claimed for any fire protection or law enforcement employee who meets all of the tests specified in part C541 relating to duties, responsibilities, and salary. Thus, high ranking police officials who are engaged in law enforcement activities, may also, depending on the facts, qualify for the section 13(a)(1) exemption as ''executive'' employees. Similarly, certain criminal investigative agents may qualify as ''administrative'' employees under section 13(a)(1).

Tour of duty and compensable hours of work rules

§ C553.220 ''Tour of duty'' defined

(a) The term ''tour of duty'' is a unique concept applicable only to employees for whom the section 7(k) exemption is claimed. This term, as used in section 7(k), means the period of time during which an employee is considered to be on duty for purposes of determining compensable hours. It may be a scheduled or unscheduled period. Such periods include ''shifts'' assigned to employees often days in advance of the performance of the work. Scheduled periods also include time spent in work outside the''shift'' which the public agency employer assigns. For example, a police officer may be assigned to crowd control during a parade or other special event outside of his or her shift.

(b) Unscheduled periods include time spent in court by police officers, time spent handling emergency situations, and time spent working after a shift to complete an assignment. Such time must be included in the compensable tour of duty even though the specific work performed may not have been assigned in advance.

(c) The tour of duty does not include time spent working for a separate and independent employer in certain types of special details as provided in Sec. C553.227.

§ C553.221 Compensable hours of work

(a) The rules under the FLSA as applied by the CAA on compensable hours of work are applicable to employees for whom the section 7(k) exemption is claimed. Special rules for sleep time (Sec. C553.222) apply to both law enforcement and firefighting employees for whom the section 7(k) exemption is claimed. Also, special rules for meal time apply in the case of firefighters (Sec. C553.223).

(b) Compensable hours of work generally include all of the time during which an employee is on duty on the employer's premises

or at a prescribed workplace, as well as all other time during which the employee is suffered or permitted to work for the employer. Such time includes all pre-shift and post-shift activities which are an integral part of the employee's principal activity or which are closely related to the performance of the principal activity, such as attending roll call, writing up and completing tickets or reports, and washing and re-racking fire hoses.

(c) Time spent away from the employer's premises under conditions that are so circumscribed that they restrict the employee from effectively using the time for personal pursuits also constitutes compensable hours of work. For example, where a police station must be evacuated because of an electrical failure and the employees are expected to remain in the vicinity and return to work after the emergency has passed, the entire time spent away from the premises is compensable. The employees in this example cannot use the time for their personal pursuits.

(d) An employee who is not required to remain on the employer's premises but is merely required to leave word at home or with company officials where he or she may be reached is not working while on call. Time spent at home on call may or may not be compensable depending on whether the restrictions placed on the employee preclude using the time for personal pursuits. Where, for example, a firefighter has returned home after the shift, with the understanding that he or she is expected to return to work in the event of an emergency in the night, such time spent at home is normally not compensable. On the other hand, where the conditions placed on the employee's activities are so restrictive that the employee cannot use the time effectively for personal pursuits, such time spent on call is compensable.

(e) Normal home to work travel is not compensable, even where the employee is expected to report to work at a location away from the location of the employer's premises.

(f) A police officer, who has completed his or her tour of duty and who is given a patrol car to drive home and use on personal business, is not working during the travel time even where the radio must be left on so that the officer can respond to emergency calls. Of course, the time spent in responding to such calls is compensable.

§ C553.222 Sleep time

(a) Where a public agency elects to pay overtime compensation to firefighters and/or law enforcement personnel in accordance with section 7(a)(1) of the Act, the public agency may exclude sleep time from hours worked if all the conditions for the exclusion of such time are met.

(b) Where the employer has elected to use the section 7(k) exemption, sleep time cannot be excluded from the compensable hours of work where

(1) The employee is on a tour of duty of less than 24 hours, and

(2) Where the employee is on a tour of duty of exactly 24 hours.

(c) Sleep time can be excluded from compensable hours of work, however, in the case of police officers or firefighters who are on a tour of duty of more than 24 hours, but only if there is an expressed or implied agreement between the employer and the employees to exclude such time. In the absence of such an agreement, the sleep time is compensable. In no event shall the time excluded as sleep time exceed 8 hours in a 24-hour period. If the sleep time is interrupted by a call to duty, the interruption must be counted as hours worked. If the sleep period is interrupted to such an extent that the employee cannot get a reasonable night's sleep (which, for enforcement purposes means at least 5 hours), the entire time must be counted as hours of work.

§ C553.223 Meal time

(a) If a public agency elects to pay overtime compensation to firefighters and law enforcement personnel in accordance with section 7(a)(1) of the Act, the public agency may exclude meal time from hours worked if all the statutory tests for the exclusion of such time are met.

(b) If a public agency elects to use the section 7(k) exemption, the public agency may, in the case of law enforcement personnel, exclude meal time from hours worked on tours of duty of 24 hours or less, provided that the employee is completely relieved from duty during the meal period, and all the other statutory tests for the exclusion of such time are met. On the other hand, where law enforcement personnel are required to remain on call in barracks or similar quarters, or are engaged in extended surveillance activities (e.g., stakeouts'), they are not considered to be completely relieved from duty, and any such meal periods would be compensable.

(c) With respect to firefighters employed under section 7(k), who are confined to a duty station, the legislative history of the Act indicates Congressional intent to mandate a departure from the usual FLSA 'hours of work' rules and adoption of an overtime standard keyed to the unique concept of 'tour of duty' under which firefighters are employed. Where the public agency elects to use the section 7(k) exemption for firefighters, meal time cannot be excluded from the compensable hours of work where (1) the firefighter is on a tour of duty of less than 24 hours, and (2) where the firefighter is on a tour of duty of exactly 24 hours.

(d) In the case of police officers or firefighters who are on a tour of duty of more than 24 hours, meal time may be excluded from compensable hours of work provided that the statutory tests for exclusion of such hours are met.

§ C553.224 ''Work period'' defined

(a) As used in section 7(k), the term 'work period' refers to any established and regularly recurring period of work which, under the terms of the Act and legislative history, cannot be less than 7 consecutive days nor more than 28 consecutive days. Except for this limitation, the work period can be of any length, and it need not coincide with the duty cycle or pay period or with a particular day of the week or hour of the day. Once the beginning and ending time of an employee's work period is established, however, it remains fixed regardless of how many hours are worked within the period. The beginning and ending of the work period may be changed, provided that the change is intended to be permanent and is not designed to evade the overtime compensation requirements of the Act.

(b) An employer may have one work period applicable to all employees, or different work periods for different employees or groups of employees.

§ C553.225 Early relief

It is a common practice among employees engaged in fire protection activities to relieve employees on the previous shift prior to the scheduled starting time. Such early relief time may occur pursuant to employee agreement, either expressed or implied. This practice will not have the effect of increasing the number of compensable hours of work for employees employed under section 7(k) where it is voluntary on the part of the employees and does not result, over a period of time, in their failure to receive proper compensation for all hours actually worked. On the other hand, if the practice is required by the employer, the time involved must be added to the employee's tour of duty and treated as compensable hours of work.

§ C553.226 Training time

(a) The general rules for determining the compensability of training time under the FLSA apply to employees engaged in law enforcement or fire protection activities.

(b) While time spent in attending training required by an employer is normally considered compensable hours of work, following are situations where time spent by employees in required training is considered to be noncompensable:

(1) Attendance outside of regular working hours at specialized or follow-up training, which is required by law for certification of public and private sector employees within a particular governmental jurisdiction (e.g., certification of public and private emergency rescue workers), does not constitute compensable hours of work for public employees within that jurisdiction and subordinate jurisdictions.

(2) Attendance outside of regular working hours at specialized or follow-up training, which is required for certification of employees of a governmental jurisdiction by law of a higher level of government, does not constitute compensable hours of work.

(3) Time spent in the training described in paragraphs (b) (1) or (2) of this section is not compensable, even if all or part of the costs of the training is borne by the employer.

(c) Police officers or firefighters, who are in attendance at a police or fire academy or other training facility, are not considered to be on duty during those times when they are not in class or at a training session, if they are free to use such time for personal pursuits. Such free time is not compensable.

§ C553.227 Outside employment

(a) Section 7(p)(1) makes special provision for fire protection and law enforcement employees of public agencies who, at their own option, perform special duty work in fire protection, law enforcement or related activities for a separate and independent employer (public or private) during their off-duty hours. The hours of work for the separate and independent employer are not combined with the hours worked for the primary public agency employer for purposes of overtime compensation.

(b) Section 7(p)(1) applies to such outside employment provided (1) the special detail work is performed solely at the employee's option, and (2) the two employers are in fact separate and independent.

(c) Whether two employers are, in fact, separate and independent can only be determined on a case-by-case basis.

(d) The primary employer may facilitate the employment or affect the conditions of employment of such employees. For example, a police department may maintain a roster of officers who wish to perform such work. The department may also select the officers for special details from a list of those wishing to participate, negotiate their pay, and retain a fee for administrative expenses. The department may require that the separate and independent employer pay the fee for such services directly to the department, and establish procedures for the officers to receive their pay for the special details through the agency's payroll system. Finally, the department may require that the officers observe their normal standards of conduct during such details and take disciplinary action against those who fail to do so.

(e) Section 7(p)(1) applies to special details even where a State law or local ordinance requires that such work be performed and that only law enforcement or fire protection employees of a public agency in the same jurisdiction perform the work. For example, a

city ordinance may require the presence of city police officers at a convention center during concerts or sports events. If the officers perform such work at their own option, the hours of work need not be combined with the hours of work for their primary employer in computing overtime compensation.

(f) The principles in paragraphs (d) and (e) of this section with respect to special details of public agency fire protection and law enforcement employees under section 7(p)(1) are exceptions to the usual rules on joint employment set forth in part 791 of this title.

(g) Where an employee is directed by the public agency to perform work for a second employer, section 7(p)(1) does not apply. Thus, assignments of police officers outside of their normal work hours to perform crowd control at a parade, where the assignments are not solely at the option of the officers, would not qualify as special details subject to this exception. This would be true even if the parade organizers reimburse the public agency for providing such services.

(h) Section 7(p)(1) does not prevent a public agency from prohibiting or restricting outside employment by its employees.

Overtime compensation rules

§ C553.230 Maximum hours standards for work periods of 7 to 28 days—section 7(k)

(a) For those employees engaged in fire protection activities who have a work period of at least 7 but less than 28 consecutive days, no overtime compensation is required under section 7(k) until the number of hours worked exceeds the number of hours which bears the same relationship to 212 as the number of days in the work period bears to 28.

(b) For those employees engaged in law enforcement activities (including security personnel in correctional institutions) who have a work period of at least 7 but less than 28 consecutive days, no overtime compensation is required under section 7(k) until the number of hours worked exceeds the number of hours which bears the same relationship to 171 as the number of days in the work period bears to 28.

(c) The ratio of 212 hours to 28 days for employees engaged in fire protection activities is 7.57 hours per day (rounded) and the ratio of 171 hours to 28 days for employees engaged in law enforcement activities is 6.11 hours per day (rounded). Accordingly, overtime compensation (in premium pay or compensatory time) is required for all hours worked in excess of the following maximum hours standards (rounded to the nearest whole hour):

MAXIMUM HOURS STANDARDS

Work period (days)	Fire protection	Law enforcement
28	212	171
27	204	165
26	197	159
25	189	153
24	182	147
23	174	141
22	167	134
21	159	128
20	151	122
19	144	116
18	136	110
17	129	104
16	121	98
15	114	92
14	106	86
13	98	79
12	91	73
11	83	67
10	76	61
9	68	55
8	61	49
7	53	43

§ C553.231 Compensatory time off

(a) Law enforcement and fire protection employees who are subject to the section 7(k) exemption may receive compensatory time off in lieu of overtime pay for hours worked in excess of the maximum for their work period as set forth in Sec. C553.230.

(b) Section 7(k) permits public agencies to balance the hours of work over an entire work period for law enforcement and fire protection employees. For example, if a firefighter's work period is 28 consecutive days, and he or she works 80 hours in each of the first two weeks, but only 52 hours in the third week, and does not work in the fourth week, no overtime compensation (in cash wages or compensatory time) would be required since the total hours worked do not exceed 212 for the work period. If the same firefighter had a work period of only 14 days, overtime compensation or compensatory time off would be due for 54 hours (160 minus 106 hours) in the first 14 day work period.

§ C553.232 Overtime pay requirements

If a public agency pays employees subject to section 7(k) for overtime hours worked in cash wages rather than compensatory time off, such wages must be paid at one and one-half times the employees' regular rates of pay.

§ C553.233 'Regular rate' defined

The statutory rules for computing an employee's 'regular rate', for purposes of the Act's overtime pay requirements are applicable to employees or whom the section 7(k) exemption is claimed when overtime compensation is provided in cash wages.

Subpart D—Compensatory time-off for overtime earned by employees whose work schedule directly depends upon the schedule of the House and the Senate

§ C553.301 Definition of ''directly depends''

For the purposes of this Part, a covered employee's work schedule ''directly depends'' on the schedule of the House of Representatives and the Senate only if the eligible employee performs work that directly supports the conduct of legislative or other business in the chamber and works hours that regularly change in response to the schedule of the House and the Senate.

§ C553.302 Overtime compensation and compensatory time off for an employee whose work schedule directly depends upon the schedule of the House and Senate

No employing office shall be deemed to have violated section 203(a)(1) of the CAA, which applies the protections of section 7(a) of the Fair Labor Standards Act (''FLSA'') to covered employees and employing office, by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under section 7(a) of the FLSA where the employee's work schedule directly depends on the schedule of the House of Representatives or the Senate within the meaning of § C553.301, and: (a) the employee is compensated at the rate of time-and-a-half in pay for all hours in excess of 40 and up to 60 hours in a workweek, and (b) the employee is compensated at the rate of time-and-a-half in either pay or in time off for all hours in excess of 60 hours in a workweek.

§ C553.303 Using compensatory time off

An employee who has accrued compensatory time off under § C553.302 upon his or her request, shall be permitted by the employing office to use such time within a reasonable period after making the request, unless the employing office makes a bona fide determination that the needs of the operations of the office do not allow the taking of compensatory time off at the time of the request. An employee may renew the request at a subsequent time. An employing office may also, upon reasonable notice, require an employee to use accrued compensatory time-off.

§ C553.304 Payment of overtime compensation for accrued compensatory time off as of termination of service

An employee who has accrued compensatory time authorized by this regulation shall, upon termination of employment, be paid for the unused compensatory time at the rate earned by the employee at the time the employee receives such payment.

Part C570—Child Labor Regulations

Subpart A—General

Sec.
C570.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance.
C570.1 Definitions.
C570.2 Minimum age standards.

Subpart C—Employment of minors between 14 and 16 years of age (child labor reg. 3)

C570.31 Determination.
C570.32 Effect of this subpart.
C570.33 Occupations.
C570.35 Periods and conditions of employment.

Subpart E—Occupations particularly hazardous for the employment of minors between 16 and 18 years of age or detrimental to their health or well-being

C570.50 General.
C570.51 Occupations in or about plants or establishments manufacturing or storing explosives or articles containing explosive components (Order 1).
C570.52 Occupations of motor-vehicle driver and outside helper (Order 2).
C570.55 Occupations involved in the operation of power-driven woodworking machines (Order 5).
C570.58 Occupations involved in the operation of power-driven hoisting apparatus (Order 7).
C570.59 Occupations involved in the operations of power-driven metal forming, punching, and shearing machines (Order 8).
C570.62 Occupations involved in the operation of bakery machines (Order 11).
C570.63 Occupations involved in the operation of paper-products machines (Order 12).
C570.65 Occupations involved in the operations of circular saws, band saws, and guillotine shears (Order 14).
C570.66 Occupations involved in wrecking and demolition operations (Order 15).
C570.67 Occupations in roofing operations (Order 16).
C570.68 Occupations in excavation operations (Order 17).

Subpart A—General

§ C570.00 Corresponding section table of the FLSA regulations of the Labor Department and the CAA regulations of the Office of Compliance

The following table lists the sections of the Secretary of Labor Regulations under the FLSA with the corresponding sections of the Office of Compliance Regulations under Section 202 of the CAA:

Secretary of Labor regulations	*OC regulations*
570.1 Definitions	C570.1
570.2 Minimum age standards	C570.2
570.31 Determinations	C570.31
570.32 Effect of this subpart	C570.32
570.33 Occupations	C570.33
570.35 Periods and conditions of employment	C570.35
570.50 General	C570.50

Secretary of Labor regulations	OC regulations
570.51 Occupations in or about plants or establishments manufacturing or storing explosives or articles containing explosive components (Order 1)	C570.51
570.52 Occupations of motor-vehicle driver and outside helper (Order 2)	C570.52
570.55 Occupations involved in the operation of power-driven woodworking machines (Order 5)	C570.55
570.58 Occupations involved in the operation of power-driven hoisting apparatus (Order 7)	C570.58
570.59 Occupations involved in the operations of power-driven metal forming, punching, and shearing machines (Order 8)	C570.59
570.62 Occupations involved in the operation of bakery machines (Order 11)	C570.62
570.63 Occupations involved in the operation of paper-products machines (Order 12)	C570.63
570.65 Occupations involved in the operations of circular saws, band saws, and guillotine shears (Order 14)	C570.65
570.66 Occupations involved in wrecking and demolition operations (Order 15)	C570.66
570.67 Occupations in roofing operations (Order 16)	C570.67
570.68 Occupations in excavation operations (Order 17)	C570.68

§ C570.1 Definitions

As used in this part:

(a) *Act* means the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201–219).

(b) *Oppressive child labor* means employment of a minor in an occupation for which he does not meet the minimum age standards of the Act, as set forth in Sec. 570.2 of this subpart.

(c) *Oppressive child labor age* means an age below the minimum age established under the Act for the occupation in which a minor is employed or in which his employment is contemplated.

(d) [Reserved]

(e) [Reserved]

(f) *Secretary or Secretary of Labor* means the Secretary of Labor, United States Department of Labor, or his authorized representative.

(g) *Wage and Hour Division* means the Wage and Hour Division, Employment Standards Administration, United States Department of Labor.

(h) *Administrator* means the Administrator of the Wage and Hour Division or his authorized representative.

§ C570.2 Minimum age standards

(a) All occupations except in agriculture. (1) The Act, in section 3(1), sets a general 16-year minimum age which applies to all employment subject to its child labor provisions in any occupation other than in agriculture, with the following exceptions:

(i) The Act authorizes the Secretary of Labor to provide by regulation or by order that the employment of employees between the ages of 14 and 16 years in occupations other than manufacturing and mining shall not be deemed to constitute oppressive child labor, if and to the extent that the Secretary of Labor determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being (see subpart C of this part); and

(ii) The Act sets an 18-year minimum age with respect to employment in any occupation found and declared by the Secretary of Labor to be particularly hazardous for the employment of minors of such age or detrimental to their health or well-being.

(2) The Act exempts from its minimum age requirements the employment by a parent of his own child, or by a person standing in place of a parent of a child in his custody, except in occupations to which the 18-year age minimum applies and in manufacturing and mining occupations.

Subpart B [reserved]

Subpart C—Employment of minors between 14 and 16 years of age (child labor reg. 3)

§ C570.31 Determination

The employment of minors between 14 and 16 years of age in the occupations, for the periods, and under the conditions hereafter specified does not interfere with their schooling or with their health and well-being and shall not be deemed to be oppressive child labor.

§ C570.32 Effect of this subpart

In all occupations covered by this subpart the employment (including suffering or permitting to work) by an employer of minor employees between 14 and 16 years of age for the periods and under the conditions specified in § 570.35 shall not be deemed to be oppressive child labor within the meaning of the Fair Labor Standards Act of 1938.

§ C570.33 Occupations

This subpart shall apply to all occupations other than the following:

(a) Manufacturing, mining, or processing occupations, including occupations requiring the performance of any duties in work rooms or work places where goods are manufactured, mined, or otherwise processed;

(b) Occupations which involve the operation or tending of hoisting apparatus or of any power-driven machinery other than office machines;

(c) The operation of motor vehicles or service as helpers on such vehicles;

(d) Public messenger service;

(e) Occupations which the Secretary of Labor may, pursuant to section 3(1) of the Fair Labor Standards Act and Reorganization Plan No. 2, issued pursuant to the Reorganization Act of 1945, find and declare to be hazardous for the employment of minors between 16 and 18 years of age or detrimental to their health or well-being;

(f) Occupations in connection with:

(1) Transportation of persons or property by rail, highway, air, water, pipeline, or other means;

(2) Warehousing and storage;

(3) Communications and public utilities;

(4) Construction (including demolition and repair); except such office (including ticket office) work, or sales work, in connection with paragraphs (f)(1), (2), (3), and (4) of this section, as does not involve the performance of any duties on trains, motor vehicles, aircraft, vessels, or other media of transportation or at the actual site of construction operations.

§ C570.35 Periods and conditions of employment

(a) Except as provided in paragraph (b) of this section, employment in any of the occupations to which this subpart is applicable shall be confined to the following periods:

(1) Outside school hours;

(2) Not more than 40 hours in any 1 week when school is not in session;

(3) Not more than 18 hours in any 1 week when school is in session;

(4) Not more than 8 hours in any 1 day when school is not in session;

(5) Not more than 3 hours in any 1 day when school is in session;

(6) Between 7 a.m. and 7 p.m. in any 1 day, except during the summer (June 1 through Labor Day) when the evening hour will be 9 p.m.

SUBPART D [RESERVED]

Subpart E—Occupations particularly hazardous for the employment of minors between 16 and 18 years of age or detrimental to their health or well-being

§ C570.50 General

(a) Higher standards. Nothing in this subpart shall authorize non-compliance with any Federal law or regulation establishing a higher standard. If more than one standard within this subpart applies to a single activity the higher standard shall be applicable.

(b) Apprentices. Some sections in this subpart contain an exemption for the employment of apprentices. Such an exemption shall apply only when: (1) The apprentice is employed in a craft recognized as an apprenticeable trade; (2) the work of the apprentice in the occupations declared particularly hazardous is incidental to his training; (3) such work is intermittent and for short periods of time and is under the direct and close supervision of a journeyman as a necessary part of such apprentice training; and (4) the apprentice is registered by the Executive Director of the Office of Compliance as employed in accordance with the standards established by the Bureau of Apprenticeship and Training of the United States Department of Labor.

(c) Student-learners. Some sections in this subpart contain an exemption for the employment of student-learners. Such an exemption shall apply when:

(1) The student-learner is enrolled in a course of study and training in a cooperative vocational training program under a recognized State or local educational authority or in a course of study in a substantially similar program conducted by a private school and;

(2) Such student-learner is employed under a written agreement which provides:

(i) That the work of the student-learner in the occupations declared particularly hazardous shall be incidental to his training;

(ii) That such work shall be intermittent and for short periods of time, and under the direct and close supervision of a qualified and experienced person;

(iii) That safety instructions shall be given by the school and correlated by the employer with on-the-job training; and

(iv) That a schedule of organized and progressive work processes to be performed on the job shall have been prepared. Each such written agreement shall contain the name of student-learner, and shall be signed by the employer and the school coordinator or principal. Copies of each agreement shall be kept on file by both the school and the employer. This exemption for the employment of student-learners may be revoked in any individual situation where it is found that reasonable precautions have not been observed for the safety of minors employed thereunder. A high school graduate may be employed in an occupation in which he has completed training as provided in this paragraph as a student-learner, even though he is not yet 18 years of age.

§ C570.51 Occupations in or about plants or establishments manufacturing or storing explosives or articles containing explosive components (Order 1)

(a) Finding and declaration of fact. The following occupations in or about plants or establishments manufacturing or storing explosives or articles containing explosive components are particularly hazardous for minors between 16 and 18 years of age or detrimental to their health or well-being:

(1) All occupations in or about any plant or establishment (other than retail establishments or plants or establishments of the type described in paragraph (a)(2) of this section) manufacturing or storing explosives or articles containing explosive components except where the occupation is performed in a 'nonexplosives area' as defined in paragraph (b)(3) of this section.

(2) The following occupations in or about any plant or establishment manufacturing or storing small-arms ammunition not exceeding .60 caliber in size, shotgun shells, or blasting caps when manufactured or stored in conjunction with the manufacture of small-arms ammunition:

(i) All occupations involved in the manufacturing, mixing, transporting, or handling of explosive compounds in the manufacture of small-arms ammunition and all other occupations requiring the performance of any duties in the explosives area in which explosive compounds are manufactured or mixed.

(ii) All occupations involved in the manufacturing, transporting, or handling of primers and all other occupations requiring the performance of any duties in the same building in which primers are manufactured.

(iii) All occupations involved in the priming of cartridges and all other occupations requiring the performance of any duties in the same workroom in which rim-fire cartridges are primed.

(iv) All occupations involved in the plate loading of cartridges and in the operation of automatic loading machines.

(v) All occupations involved in the loading, inspecting, packing, shipping and storage of blasting caps.

(b) Definitions. For the purpose of this section:

(1) The term *plant or establishment manufacturing or storing explosives or articles containing explosive component* means the land with all the buildings and other structures thereon used in connection with the manufacturing or processing or storing of explosives or articles containing explosive components.

(2) The terms *explosives* and *articles containing explosive components* mean and include ammunition, black powder, blasting caps, fireworks, high explosives, primers, smokeless powder, and all goods classified and defined as explosives by the Interstate Commerce Commission in regulations for the transportation of explosives and other dangerous substances by common carriers (49 CFR parts 71 to 78) issued pursuant to the Act of June 25, 1948 (62 Stat.739; 18 U.S.C. 835).

(3) An area meeting all of the criteria in paragraphs (b)(3) (i) through (iv) of this section shall be deemed a ''nonexplosives area'':

(i) None of the work performed in the area involves the handling or use of explosives;

(ii) The area is separated from the explosives area by a distance not less than that prescribed in the American Table of Distances for the protection of inhabited buildings;

(iii) The area is separated from the explosives area by a fence or is otherwise located so that it constitutes a definite designated area; and

(iv) Satisfactory controls have been established to prevent employees under 18 years of age within the area from entering any area in or about the plant which does not meet criteria of paragraphs (b)(3) (i) through (iii) of this section.

§ C570.52 Occupations of motor-vehicle driver and outside helper (Order 2)

(a) Findings and declaration of fact. Except as provided in paragraph (b) of this section, the occupations of motor-vehicle driver and outside helper on any public road, highway, in or about any mine (including open pit mine or quarry), place where logging or sawmill operations are in progress, or in any excavation of the type identified in § C570.68(a) are particularly hazardous for the employment of minors between 16 and 18 years of age.

(b) Exemption—Incidental and occasional driving. The findings and declaration in paragraph (a) of this section shall not apply to the operation of automobiles or trucks not exceeding 6,000 pounds gross vehicle weight if such driving is restricted to daylight hours; *provided,* such operation is only occasional and incidental to the minor's employment; that the minor holds a State license valid for the type of driving involved in the job performed and has completed a State approved driver education course; and *provided further*, that the vehicle is equipped with a seat belt or similar restraining device for the driver and for each helper, and the employer has instructed each minor that such belts or other devices must be used. This paragraph shall not be applicable to any occupation of motor-vehicle driver which involves the towing of vehicles.

(c) Definitions. For the purpose of this section:

(1) The term *motor vehicle* shall mean any automobile, truck, truck-tractor, trailer, semitrailer, motorcycle, or similar vehicle propelled or drawn by mechanical power and designed for use as a means of transportation but shall not include any vehicle operated exclusively on rails.

(2) The term *driver* shall mean any individual who, in the course of employment, drives a motor vehicle at any time.

(3) The term *outside helper* shall mean any individual, other than a driver, whose work includes riding on a motor vehicle outside the cab for the purpose of assisting in transporting or delivering goods.

(4) The term *gross vehicle weight* includes the truck chassis with lubricants, water and a full tank or tanks of fuel, plus the weight of the cab or driver's compartment, body and special chassis and body equipment, and payload.

§ C570.55 Occupations involved in the operation of power-driven woodworking machines (Order 5)

(a) Finding and declaration of fact. The following occupations involved in the operation of power-driven wood-working machines are particularly hazardous for minors between 16 and 18 years of age:

(1) The occupation of operating power-driven woodworking machines, including supervising or controlling the operation of such machines, feeding material into such machines, and helping the operator to feed material into such machines but not including the placing of material on a moving chain or in a hopper or slide for automatic feeding.

(2) The occupations of setting up, adjusting, repairing, oiling, or cleaning power-driven woodworking machines.

(3) The occupations of off-bearing from circular saws and from guillotine-action veneer clippers.

(b) Definitions. As used in this section:

(1) The term *power-driven woodworking machines* shall mean all fixed or portable machines or tools driven by power and used or designed for cutting, shaping, forming, surfacing, nailing, stapling, wire stitching, fastening, or otherwise assembling, pressing, or printing wood or veneer.

(2) The term *off-bearing* shall mean the removal of material or refuse directly from a saw table or from the point of operation. Operations not considered as off-bearing within the intent of this section include: (i) The removal of material or refuse from a circular saw or guillotine-action veneer clipper where the material or refuse has been conveyed away from the saw table or point of operation by a gravity chute or by some mechanical means such as a moving belt or expulsion roller, and (ii) the following operations when they do not involve the removal of material or refuse directly from a saw table or from the point of operation: The carrying, moving, or transporting of materials from one machine to another or from one part of a plant to another; the piling, stacking, or arranging of materials for feeding into a machine by another person; and the sorting, tying, bundling, or loading of materials.

(c) Exemptions. This section shall not apply to the employment of apprentices or student-learners under the conditions prescribed in Sec. 570.50 (b) and (c).

§ C570.58 Occupations involved in the operation of power-driven hoisting apparatus (Order 7)

(a) Finding and declaration of fact. The following occupations involved in the operation of power-driven hoisting apparatus are particularly hazardous for minors between 16 and 18 years of age:

(1) Work of operating an elevator, crane, derrick, hoist, or high-lift truck, except operating an unattended automatic operation passenger elevator or an electric or air-operated hoist not exceeding one ton capacity.

(2) Work which involves riding on a manlift or on a freight elevator, except a freight elevator operated by an assigned operator.

(3) Work of assisting in the operation of a crane, derrick, or hoist performed by crane hookers, crane chasers, hookers-on, riggers, rigger helpers, and like occupations.

(b) Definitions. As used in this section:

(1) The term *elevator* shall mean any power-driven hoisting or lowering mechanism equipped with a car or platform which moves in guides in a substantially vertical direction. The term shall include both passenger and freight elevators (including portable elevators or tiering machines), but shall not include dumbwaiters.

(2) The term *crane* shall mean a power-driven machine for lifting and lowering a load and moving it horizontally, in which the hoisting mechanism is an integral part of the machine. The term shall include all types of cranes, such as cantilever gantry, crawler, gantry, hammerhead, ingot-pouring, jib, locomotive, motor-truck, overhead traveling, pillar jib, pintle, portal, semi-gantry, semi-portal, storage bridge, tower, walking jib, and wall cranes.

(3) The term *derrick* shall mean a power-driven apparatus consisting of a mast or equivalent members held at the top by guys or braces, with or without a boom, for use with an hoisting mechanism or operating ropes. The term shall include all types of derricks, such as A-frame, breast, Chicago boom, gin-pole, guy and stiff-leg derrick.

(4) The term *hoist* shall mean a power-driven apparatus for raising or lowering a load by the application of a pulling force that does not include a car or platform running in guides. The term shall include all types of hoists, such as base mounted electric, clevis suspension, hook suspension, monorail, overhead electric, simple drum and trolley suspension hoists.

(5) The term *high-lift* truck shall mean a power-driven industrial type of truck used

for lateral transportation that is equipped with a power-operated lifting device usually in the form of a fork or platform capable of tiering loaded pallets or skids one above the other. Instead of a fork or platform, the lifting device may consist of a ram, scoop, shovel, crane, revolving fork, or other attachments for handling specific loads. The term shall mean and include highlift trucks known under such names as fork lifts, fork trucks, fork-lift trucks, tiering trucks, or stacking trucks, but shall not mean low-lift trucks or low-lift platform trucks that are designed for the transportation of but not the tiering of material.

(6) The term *manlift* shall mean a device intended for the conveyance of persons which consists of platforms or brackets mounted on, or attached to, an endless belt, cable, chain or similar method of suspension; such belt, cable or chain operating in a substantially vertical direction and being supported by and driven through pulleys, sheaves or sprockets at the top and bottom.

(c) Exception. (1) This section shall not prohibit the operation of an automatic elevator and an automatic signal operation elevator provided that the exposed portion of the car interior (exclusive of vents and other necessary small openings), the car door, and the hoistway doors are constructed of solid surfaces without any opening through which a part of the body may extend; all hoistway openings at floor level have doors which are interlocked with the car door so as to prevent the car from starting until all such doors are closed and locked; the elevator (other than hydraulic elevators) is equipped with a device which will stop and hold the car in case of overspeed or if the cable slackens or breaks; and the elevator is equipped with upper and lower travel limit devices which will normally bring the car to rest at either terminal and a final limit switch which will prevent the movement in either direction and will open in case of excessive over travel by the car.

(2) For the purpose of this exception the term *automatic elevator* shall mean a passenger elevator, a freight elevator, or a combination passenger-freight elevator, the operation of which is controlled by pushbuttons in such a manner that the starting, going to the landing selected, leveling and holding, and the opening and closing of the car and hoistway doors are entirely automatic.

(3) For the purpose of this exception, the term *automatic signal operation elevator* shall mean an elevator which is started in response to the operation of a switch (such as a lever or pushbutton) in the car which when operated by the operator actuates a starting device that automatically closes the car and hoistway doors-from this point on, the movement of the car to the landing selected, leveling and holding when it gets there, and the opening of the car and hoistway doors are entirely automatic.

§ C570.59 Occupations involved in the operations of power-driven metal forming, punching, and shearing machines (Order 8)

(a) Finding and declaration of fact. The following occupations are particularly hazardous for the employment of minors between 16 and 18 years of age:

(1) The occupations of operator of or helper on the following power-driven metal forming, punching, and shearing machines:

(i) All rolling machines, such as beading, straightening, corrugating, flanging, or bending rolls; and hot or cold rolling mills.

(ii) All pressing or punching machines, such as punch presses except those provided with full automatic feed and ejection and with a fixed barrier guard to prevent the hands or fingers of the operator from entering the area between the dies; power presses; and plate punches.

(iii) All bending machines, such as apron brakes and press brakes.

(iv) All hammering machines, such as drop hammers and power hammers.

(v) All shearing machines, such as guillotine or squaring shears; alligator shears; and rotary shears.

(2) The occupations of setting up, adjusting, repairing, oiling, or cleaning these machines including those with automatic feed and ejection.

(b) Definitions. (1) The term *operator* shall mean a person who operates a machine covered by this section by performing such functions as starting or stopping the machine, placing materials into or removing them from the machine, or any other functions directly involved in operation of the machine.

(2) The term *helper* shall mean a person who assists in the operation of a machine covered by this section by helping place materials into or remove them from the machine.

(3) The term *forming, punching, and shearing machines* shall mean power-driven metalworking machines, other than machine tools, which change the shape of or cut metal by means of tools, such as dies, rolls, or knives which are mounted on rams, plungers, or other moving parts. Types of forming, punching, and shearing machines enumerated in this section are the machines to which the designation is by custom applied.

(c) Exemptions. This section shall not apply to the employment of apprentices or student-learners under the conditions prescribed in Sec. 570.50 (b) and (c).

§ C570.62 Occupations involved in the operation of bakery machines (Order 11)

(a) Finding and declaration of fact. The following occupations involved in the operation of power-driven bakery machines are particularly hazardous for the employment of minors between 16 and 18 years of age:

(1) The occupations of operating, assisting to operate, or setting up, adjusting, repairing, oiling, or cleaning any horizontal or vertical dough mixer; batter mixer; bread dividing, rounding, or molding machine; dough brake; dough sheeter; combination bread slicing and wrapping machine; or cake cutting band saw.

(2) The occupation of setting up or adjusting a cookie or cracker machine.

§ C570.63 Occupations involved in the operation of paper-products machines (Order 12)

(a) Findings and declaration of fact. The following occupations are particularly hazardous for the employment of minors between 16 and 18 years of age:

(1) The occupations of operation or assisting to operate any of the following power-driven paper products machines:

(i) Arm-type wire stitcher or stapler, circular or band saw, corner cutter or mitering machine, corrugating and single-or-double-facing machine, envelope die-cutting press, guillotine paper cutter or shear, horizontal bar scorer, laminating or combining machine, sheeting machine, scrap-paper baler, or vertical slotter.

(ii) Platen die-cutting press, platen printing press, or punch press which involves hand feeding of the machine.

(2) The occupations of setting up, adjusting, repairing, oiling, or cleaning these machines including those which do not involve hand feeding.

(b) Definitions. (1) The term *operating or assisting to operate* shall mean all work which involves starting or stopping a machine covered by this section, placing or removing materials into or from the machine, or any other work directly involved in operating the machine. The term does not include the stacking of materials by an employee in an area nearby or adjacent to the machine where such employee does not place the materials into the machine.

(2) The term *paper products* machine shall mean all power-driven machines used in:

(i) The remanufacture or conversion of paper or pulp into a finished product, including the preparation of such materials for recycling; or

(ii) The preparation of such materials for disposal. The term applies to such machines whether they are used in establishments that manufacture converted paper or pulp products, or in any other type of manufacturing or nonmanufacturing establishment.

(c) Exemptions. This section shall not apply to the employment of apprentices or student-learners under the conditions prescribed in § 570.50 (b) and (c).

§ C570.65 Occupations involved in the operations of circular saws, band saws, and guillotine shears (Order 14)

(a) Findings and declaration of fact. The following occupations are particularly hazardous for the employment of minors between 16 and 18 years of age:

(1) The occupations of operator of or helper on the following power-driven fixed or portable machines except machines equipped with full automatic feed and ejection:

(i) Circular saws.

(ii) Band saws.

(iii) Guillotine shears.

(2) The occupations of setting-up, adjusting, repairing, oiling, or cleaning circular saws, band saws, and guillotine shears.

(b) Definitions. (1) The term *operator* shall mean a person who operates a machine covered by this section by performing such functions as starting or stopping the machine, placing materials into or removing them from the machine, or any other functions directly involved in operation of the machine.

(2) The term *helper* shall mean a person who assists in the operation of a machine covered by this section by helping place materials into or remove them from the machine.

(3) The term *machines equipped with full automatic feed and ejection* shall mean machines covered by this Order which are equipped with devices for full automatic feeding and ejection and with a fixed barrier guard to prevent completely the operator or helper from placing any part of his body in the point-of-operation area.

(4) The term *circular saw* shall mean a machine equipped with a thin steel disc having a continuous series of notches or teeth on the periphery, mounted on shafting, and used for sawing materials.

(5) The term *band saw* shall mean a machine equipped with an endless steel band having a continuous series of notches or teeth, running over wheels or pulleys, and used for sawing materials.

(6) The term *guillotine shear* shall mean a machine equipped with a movable blade operated vertically and used to shear materials. The term shall not include other types of shearing machines, using a different form of shearing action, such as alligator shears or circular shears.

(c) Exemptions. This section shall not apply to the employment of apprentices or student-learners under the conditions prescribed in § 570.50 (b) and (c).

§ C570.66 Occupations involved in wrecking and demolition operations (Order 15)

(a) Finding and declaration of fact. All occupations in wrecking and demolition operations are particularly hazardous for the employment of minors between 16 and 18 years of age and detrimental to their health and well-being.

(b) Definition. The term *wrecking and demolition operations* shall mean all work, including clean-up and salvage work, performed at

the site of the total or partial razing, demolishing, or dismantling of a building, bridge, steeple, tower, chimney, other structure.

§ C570.67 Occupations in roofing operations (Order 16)

(a) Finding and declaration of fact. All occupations in roofing operations are particularly hazardous for the employment of minors between 16 and 18 years of age or detrimental to their health.

(b) Definition of roofing operations. The term *roofing operations* shall mean all work performed in connection with the application of weatherproofing materials and substances (such as tar or pitch, asphalt prepared paper, tile, slate, metal, translucent materials, and shingles of asbestos, asphalt or wood) to roofs of buildings or other structures. The term shall also include all work performed in connection with: (1) The installation of roofs, including related metal work such as flashing and (2) alterations, additions, maintenance, and repair, including painting and coating, of existing roofs. The term shall not include gutter and downspout work; the construction of the sheathing or base of roofs; or the installation of television antennas, air conditioners, exhaust and ventilating equipment, or similar appliances attached to roofs.

(c) Exemptions. This section shall not apply to the employment of apprentices or student-learners under the conditions prescribed in § 570.50 (b) and (c).

§ C570.68 Occupations in excavation operations (Order 17)

(a) Finding and declaration of fact. The following occupations in excavation operations are particularly hazardous for the employment of persons between 16 and 18 years of age: (1) Excavating, working in, or backfilling (refilling) trenches, except (i) manually excavating or manually backfilling trenches that do not exceed four feet in depth at any point, or (ii) working in trenches that do not exceed four feet in depth at any point.

(2) Excavating for buildings or other structures or working in such excavations, except: (i) Manually excavating to a depth not exceeding four feet below any ground surface adjoining the excavation, or (ii) working in an excavation not exceeding such depth, or (iii) working in an excavation where the side walls are shored or sloped to the angle of repose.

(3) Working within tunnels prior to the completion of all driving and shoring operations.

(4) Working within shafts prior to the completion of all sinking and shoring operations.

(b) Exemptions. This section shall not apply to the employment of apprentices or student-learners under the conditions prescribed in Sec.C570.50 (b) and (c).

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE EMPLOYEE POLYGRAPH PROTECTION ACT OF 1988—EXCLUSION OF CAPITOL POLICE

NOTICE OF ADOPTION OF REGULATION AND SUBMISSION FOR APPROVAL AND ISSUANCE OF INTERIM REGULATIONS

Summary: The Board of Directors, Office of Compliance, after considering comments to its Notice of Proposed Rulemaking published September 28, 1995 in the Congressional Record, has adopted, and is submitting for approval by the Congress, a final regulation authorizing the Capitol Police to use lie detector tests under Section 204(a)(3) and (c) of the Congressional Accountability Act of 1995 (''CAA''). The Board is also adopting and issuing such regulations as interim regulations effective on January 23, 1996 or on the dates upon which appropriate resolutions of approval are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House of Representatives and the Senate, respectively, whichever is earlier.

For Further Information Contact: Executive Director, Office of Compliance, Room LA 200, Library of Congress, Washington, D.C. 20540–1999. Telephone: (202) 724–9250.

Background and Summary

Supplementary Information: The Congressional Accountability Act of 1995 (''CAA''), Pub. L. 104–1, 109 Stat. 3, was enacted on January 23, 1995. 2 U.S.C. §§1301 *et seq*. In general, the CAA applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. Section 204(a) of the CAA provides that no employing office, irrespective of whether a covered employee works in that employing office, may require a covered employee to take a lie detector test where such a test would be prohibited if required by an employer under paragraphs (1), (2) or (3) of section 3 of the Employee Polygraph Protection Act of 1988, 29 U.S.C. §2002(1), (2) or (3) (''EPPA''). 2 U.S.C. §1314(a). Section 204(a) of the CAA also applies the waiver provision of section 6(d) of the EPPA (29 U.S.C. §2005(d)) to covered employees. *Id*. Section 225(f) (1) provides that, ''[e]xcept where inconsistent with definitions and exemptions provided in this Act, the definitions and exemptions in the [EPPA] shall apply under this Act.'' 2 U.S.C. §1361(f)(1).

Section 204(c) authorizes the Board of Directors of the Office of Compliance (''Board'') established under the CAA to issue regulations implementing the section. 2 U.S.C. §1314(c). Section 204(c)(2) further states that such regulations ''shall be the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsections (a) and (b) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' *Id*. Section 204(a)(3) provides that nothing in this section shall preclude the Capitol Police from using lie detector tests in accordance with regulations issued under section 204(c) of the CAA. *Id*. The provisions of section 204 are effective January 23, 1996, one year after the enactment date of the CAA.

The Capitol Police is the primary law enforcement agency of the legislative branch. *See* 40 U.S.C. §212a *et seq*. The final regulation would provide the Capitol Police with specific authorization to use lie detector tests. The final regulation is derived from the Secretary of Labor's regulation implementing the exclusion for public sector employers under Section 7(a) of the EPPA, 29 U.S.C. §2006(a) (29 C.F.R. §801.10(d)), which limits the exclusion to the entity's own employees.

To obtain input from interested persons on the content of these regulations, the Board published for comment a Notice of Proposed Rulemaking in the Congressional Record on September 28, 1995, 141 Cong. Rec. S14544 (daily ed., Sept. 28, 1995). The Office has also consulted with the Secretary of Labor under section 304(g) of the CAA.

After full consideration of the comments received in response to the proposed rule, the Board has adopted and is submitting this final regulation for approval by the Congress. Moreover, pursuant to sections 304 and 411 of the CAA, the Board is adopting and issuing such regulations effective on January 23, 1996 or on the dates upon which appropriate resolutions of approval are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House of Representatives and the Senate, respectively, whichever is earlier.

The regulations issued by the Board herein are on all matters for which section 204(a)(3) of the CAA requires a regulation to be issued.

I. Summary and Consideration of Comments

On September 28, 1995, the Board published a Notice of Proposed Rulemaking in the Congressional Record, 141 Cong. Rec. S14544 (daily ed., Sept. 28, 1995) (''NPR''), inviting comments from interested parties regarding the proposed regulation. The Board received three comments on the proposed regulation from interested parties within the House and the Senate.

A. Summary of comments

One commenter stated that the exclusion with respect to Capitol Police officers is consistent with the intent of the CAA and the application of the EPPA to other police departments. However, the commenter suggested that the Board clarify whether the restrictions on the use of polygraphs contained in 29 U.S.C. §2007 are applicable to the use of lie detectors by the Capitol Police. The commenter further asked the Board to consider whether the exclusion should be applied to the civilian employees, including the security aides, of the Capitol Police.

Another commenter asked that the Board further explain the basis for its proposed regulation. Specifically, this commenter asked the Board to reconsider whether a total exclusion for the Capitol Police, as proposed in this regulation, is consistent with the CAA. The commenter cited section 225(f)(1) of the CAA, which provides that, except where inconsistent with the definitions and exemptions in the CAA, the definitions and exemptions in the EPPA shall apply under the CAA. The commenter stated that section 7(a) of the EPPA, 29 U.S.C. §2006(a) (exemption for the Federal Government and state and local governmental employers), ''appears to be at least partially inconsistent with the express purpose of the Accountability Act to apply the protections of the Polygraph Protection Act to the legislative branch of the U.S. Government.'' In contrast, the commenter stated that section 7(e) of the EPPA, 29 U.S.C. §2006(e), which exempts private sector employers providing security services, does not appear to be inconsistent with the CAA. Therefore, the commenter asked the Board to consider adopting for the Capitol Police the Secretary's regulations which the commenter believes are most applicable, namely, 29 U.S.C. §801.14, which describes the exemption for private sector employers providing security services. Finally, the commenter asked the Board to explain why it is recommending that the regulation be approved by concurrent resolution rather than by joint resolution.

A third commenter suggested that the regulation make clear that it applies to prospective employees, as well as to employees of the Capitol Police, in accordance with the language of EPPA, which refers to employees and prospective employees.

B. Board's consideration of comments

Pursuant to 40 U.S.C. §§212a *et seq.*, the Capitol Police is granted general law enforcement authority within its prescribed jurisdiction. Police activities are inherently and exclusively a Federal or state governmental function, not a private one. In contrast, private employers providing security services do not have general law enforcement powers. Thus, in the Board's view,

there is no similarly situated employing entity within the private sector to which the Capitol Police can properly be compared.

Rather, in the Board's view, the Federal Government and state and local governmental employer exemption under section 7 of the EPPA, 29 U.S.C. §2006(a), and the Secretary's regulations thereunder, are the most appropriate model for regulations governing use of lie detector tests by the Capitol Police. As stated in the NPR, the adopted regulation is modeled after the Secretary's regulation implementing the exclusion for public sector employers, 29 C.F.R. §801.10. Because section 204(a)(3) of the CAA gives the Board discretion to make exceptions to the general command of uniform coverage of the EPPA within the legislative branch with respect to the Capitol Police, use of regulations exempting the Federal Government or state and local government employers pursuant to section 7(a) of the EPPA (29 U.S.C. §2006(a)) is not inconsistent with the definitions and exemptions of section 204 of the CAA. *See* Section 225(f).

The adopted regulation, modeled after the Secretary's regulation implementing the exclusion for public sector employers (29 C.F.R. §801.10), is an exclusion of all employees of the Capitol Police, including civilian employees. This treatment of Capitol Police employees is consistent with the EPPA's treatment of other law enforcement agencies because such agencies are entirely excluded under either the Federal Government or state and local government exemptions of section 7(a) of the EPPA (29 U.S.C. §2006).

The Board has not included in its final regulations the restrictions on polygraph examinations contained in 29 U.S.C. §2007 (restricting the use of polygraph examinations under the limited ongoing investigations, security service and drug security exemptions), as suggested by one commenter. The adopted regulation exempts all Capitol Police employees with respect to the rights and protections of section 204. Similarly, because section 101(4) of the CAA, 2 U.S.C. §1301(4), defines the term ''covered employee'' to include both applicants for employment as well as current and former employees, there is no need for the regulation to separately refer to ''applicants,'' as suggested by one commenter.

The final regulation gives the Capitol Police the same authority to use lie detector tests as state and local police departments and law enforcement agencies within the Federal Government have. The Capitol Police currently uses lie detector tests as part of its internal investigations and other law enforcement-related activities, and reserves the right to use lie detector tests in other circumstances with respect to so-called ''sworn'' positions, i.e., employees with the power to make arrests. This use is consistent with the use of lie detector tests by other law enforcement agencies.

II. Adoption of Proposed Rules as Final Regulations Under Section 304(b)(3) and as Interim Regulations

Having considered the public comments to the proposed rules, the Board, pursuant to section 304(b)(3) and (4) of the CAA, is adopting these final regulations and transmitting them to the House and the Senate with recommendations as to the method of approval by each body under section 304(c). However, the rapidly approaching effective date of the CAA's implementation necessitates that the Board take further action with respect to these regulations. For the reasons explained below, the Board is also today adopting and issuing these rules as *interim* regulations that will be effective as of January 23, 1996 or the time upon which appropriate resolutions of approval of these interim regulations are passed by the House and/or the Senate, whichever is later. These interim regulations will remain in effect until the earlier of April 15, 1996 or the dates upon which the House and Senate complete their respective consideration of the final regulations that the Board is herein adopting.

The Board finds that it is necessary and appropriate to adopt such interim regulations and that there is ''good cause'' for making them effective as of the later of January 23, 1996, or the time upon which appropriate resolutions of approval of them are passed by the House and the Senate. In the absence of the issuance of such interim regulations, covered employees, employing offices, and the Office of Compliance staff itself would be forced to operate in regulatory uncertainty. While section 411 of the CAA provides that, ''if the Board has not issued a regulation on a matter for which this Act requires a regulation to be issued, the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue in the proceeding,'' covered employees, employing offices and the Office of Compliance staff might not know what regulation, if any, would be found applicable in particular circumstances absent the procedures suggested here. The resulting confusion and uncertainty on the part of covered employees and employing offices would be contrary to the purposes and objectives of the CAA, as well as to the interests of those whom it protects and regulates. Moreover, since the House and the Senate will likely act on the Board's final regulations within a short period of time, covered employees and employing offices would have to devote considerable attention and resources to learning, understanding, and complying with a whole set of default regulations that would then have no future application. These interim regulations prevent such a waste of resources.

The Board's authority to issue such interim regulations derives from sections 411 and 304 of the CAA. Section 411 gives the Board authority to determine whether, in the absence of the issuance of a final regulation by the Board, it is necessary and appropriate to apply the substantive regulations of the executive branch in implementing the provisions of the CAA. Section 304(a) of the CAA in turn authorizes the Board to issue substantive regulations to implement the Act. Moreover, section 304(b) of the CAA instructs that the Board shall adopt substantive regulations ''in accordance with the principles and procedures set forth in section 553 of title 5, United States Code,'' which have in turn traditionally been construed by courts to allow an agency to issue ''interim'' rules where the failure to have rules in place in a timely manner would frustrate the effective operation of a federal statute. *See, e.g., Philadelphia Citizens in Action* v. *Schweiker*, 669 F.2d 877 (3d Cir. 1982). As noted above, in the absence of the Board's adoption and issuance of these interim rules, such a frustration of the effective operation of the CAA would occur here.

In so interpreting its authority, the Board recognizes that in section 304 of the CAA, Congress specified certain procedures that the Board must follow in issuing substantive regulations. In section 304(b), Congress said that, except as specified in section 304(e), the Board must follow certain notice and comment and other procedures. The interim regulations in fact have been subject to such notice and comment and such other procedures of section 304(b).

In issuing these interim regulations, the Board also recognizes that section 304(c) specifies certain procedures that the House and the Senate are to follow in approving the Board's regulations. The Board is of the view that the essence of section 304(c)'s requirements are satisfied by making the effectiveness of these interim regulations conditional on the passage of appropriate resolutions of approval by the House and/or the Senate. Moreover, section 304(c) appears to be designed primarily for (and applicable to) final regulations of the Board, which these interim regulations are not. In short, section 304(c)'s procedures should not be understood to prevent the issuance of interim regulations that are necessary for the effective implementation of the CAA.

Indeed, the promulgation of these interim regulations clearly conforms to the spirit of section 304(c) and, in fact promotes its proper operation. As noted above, the interim regulations shall become effective only upon the passage of appropriate resolutions of approval, which is what section 304(c) contemplates. Moreover, these interim regulations allow more considered deliberation by the House and the Senate of the Board's final regulations under section 304(c).

The House has in fact already signaled its approval of such interim regulations both for itself and for the instrumentalities. On December 19, 1995, the House adopted H. Res. 311 and H. Con. Res. 123, which approve ''on a provisional basis'' regulations ''issued by the Office of Compliance before January 23, 1996.'' The Board believes these resolutions are sufficient to make these interim regulations effective for the House on January 23, 1996, though the House might want to pass new resolutions of approval in response to this pronouncement of the Board.

To the Board's knowledge, the Senate has not yet acted on H. Con. Res. 123, nor has it passed a counterpart to H. Res. 311 that would cover employing offices and employees of the Senate. As stated herein, it must do so if these interim regulations are to apply to the Senate and the other employing offices of the instrumentalities (and to prevent the default rules of the executive branch from applying as of January 23, 1996).

III. Method of Approval

The Board continues to recommend that the regulation be approved by concurrent resolution, given the joint responsibility of the House and Senate for the Capitol Police. The regulation as adopted by the Board is consistent with the language of the CAA and does not purport to deviate from otherwise applicable regulations of the Secretary of Labor under the ''good cause'' provision of section 204(c). Therefore, the regulations, if approved, would be within the regulatory authorization of section 304 of the CAA and should receive full deference from the courts. Approval by joint resolution is not necessary.

With respect to the interim version of these regulations, the Board recommends that the Senate approve them by concurrent resolution. It is noted that the House has expressed its approval of the regulations insofar as they apply to other employing offices through passage of H. Con. Res. 123 on the same date; this concurrent resolution is pending before the Senate.

Accordingly, the Board of Directors of the Office of Compliance hereby adopts and submits for approval by the Congress and issues on an interim basis the following regulations:

ADOPTED REGULATIONS—AS INTERIM REGULATIONS AND AS FINAL REGULATIONS

Exclusion for employees of the Capitol Police

None of the limitations on the use of lie detector tests by employing offices set forth in Section 204 of the CAA apply to the Capitol Police. This exclusion from the limitations of Section 204 of the CAA applies only

with respect to Capitol Police employees. Except as otherwise provided by law or these regulations, this exclusion does not extend to contractors or nongovernmental agents of the Capitol Police; nor does it extend to the Capitol Police with respect to employees of a private employer or an otherwise covered employing office with which the Capitol Police has a contractual or other business relationship.

Duration of interim regulations

These interim regulations for the House of Representatives, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, whichever is earlier.

Scope of regulations

These regulations are issued by the Board of Directors, Office of Compliance, pursuant to sections 204(a)(3) and 304 of the CAA, which authorize the Board to issue regulations governing the use of lie detector tests by the Capitol Police. The regulations issued by the Board herein are on all matters for which section 204(a)(3) of the CAA requires a regulation to be issued.

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE EMPLOYEE POLYGRAPH PROTECTION ACT OF 1988

NOTICE OF ADOPTION OF REGULATION AND SUBMISSION FOR APPROVAL AND ISSUANCE OF INTERIM REGULATIONS

Summary: The Board of Directors, Office of Compliance, after considering comments to its Notice of Proposed Rulemaking published November 28, 1995 in the Congressional Record, has adopted, and is submitting for approval by the Congress, final regulations implementing Sections 204(a) and (b) of the Congressional Accountability Act of 1995 (''CAA''). The Board is also adopting and issuing such regulations as interim regulations for the House of Representatives, the Senate and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions of approval are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

For Further Information Contact: Executive Director, Office of Compliance, Room LA 200, Library of Congress, Washington, D.C. 20540-1999. Telephone: (202) 724–9250.

Background and Summary

Supplementary Information: The Congressional Accountability Act of 1995 (''CAA''), P.L. 104–1, 109 Stat. 3, was enacted on January 23, 1995. 2 U.S.C. §§1301-1438. In general, the CAA applies the rights and protections of eleven federal labor and employment statutes to covered employees and employing offices within the legislative branch. Section 204(a) of the CAA provides that no employing office may require any covered employee (including a covered employee who does not work in that employing office) to take a lie detector test where such test would be prohibited if required by an employer under paragraphs (1), (2) or (3) of section 3 of the Employee Polygraph Protection Act of 1988, 29 U.S.C. §2002(1), (2) or (3) (''EPPA''). 2 U.S.C. §1314(a). Section 204(a) of the EPPA also applies the waiver provisions of section 6(d) of the EPPA (29 U.S.C. §2005(d)) to covered employees. *Id*. Section 225(f) of the CAA provides that, ''[e]xcept where inconsistent with definitions and exemptions provided in this Act, the definitions and exemptions [of the EPPA] shall apply under this Act.'' 2 U.S.C. §1361(f)(1).

Section 204(c) of the CAA requires the Board of Directors of the Office of Compliance issue regulations implementing the section. 2 U.S.C. §1314(c). Section 204(c) further states that such regulations ''shall be the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsections (a) and (b) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' *Id*.

To obtain input from interested persons on the content of these regulations, the Board published for comment a Notice of Proposed Rulemaking in the Congressional Record 141 Cong. Rec. S17656 (daily ed., Nov. 28, 1995) (''NPR''), inviting comments from interested parties regarding the proposed regulations. The Board received three comments on the proposed regulations from interested parties. Two of the comments, without elaboration, supported the regulations as proposed. Only one commenter took issue with certain sections of the proposed regulations and the Board's resolution of certain issues raised in the NPR. In addition, the Office has sought consultations with the Secretary of Labor regarding the proposed regulations, pursuant to section 304(g) of the CAA.

After full consideration of the comments received in response to the proposed rule, the Board has adopted and is submitting these final regulations for approval by the Congress. Moreover, pursuant to sections 411 and 304, the Board is also adopting and issuing such regulations as interim regulations for the House, the Senate and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions of approval are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

I. Summary of Comments and Board's Final Rules

A. Exemption for national defense and security

One commenter suggested that proposed section 1.11, implementing the national defense and security exemption, be modified. The commenter suggested that, as proposed, the regulatory exemption for national defense and security could be construed to permit claims by employees that an employing office violated section 204 of the CAA by conveying information that ultimately led to a lie detector test, even though the subsequent law enforcement investigation was outside of that employing office's control. Moreover, the commenter argued that proposed section 1.11(d), which states that the Executive Branch must administer the tests ''in accordance with applicable Department of Defense directives and regulations,'' should be deleted since administration of such tests by the Executive Branch is outside of the control of employing offices. Finally, this commenter argued that proposed section 1.11 should refer to all of the exemptions under section 7(b) of the EPPA, not just to subsection (b)(2) of section 7 of the EPPA.

Contrary to the commenter's concern, section 1.11(d) cannot reasonably be construed to permit claims by employees that the employing office has violated section 204 of the CAA merely by conveying information to law enforcement authorities. Section 1.11 of the regulation states that lie detector tests performed by the Federal Government in the performance of any intelligence or counterintelligence function are not within any of the prohibitions of section 204 of the CAA. Thus, if the conditions of section 1.11 are met, no employing office should be held liable under section 204 of the CAA for indirectly causing the Executive Branch to perform such tests by conveying a report to Federal Government intelligence or counterintelligence officers. Moreover, section 1.4(b) of the regulations makes it clear that employing offices will ordinarily not be liable under section 204 of the CAA for making reports to law enforcement authorities or for cooperating in law enforcement investigations.

Nor is the Board inclined to modify the requirement in section 1.11(d) that any tests administered under the national security exemption be in accordance with applicable Department of Defense directives and regulations. That requirement is taken verbatim from the identical Executive Branch regulations that are applicable to private sector employers who also have no control over the requirements of the Department of Defense directives and regulations. The Board has not been presented with any reason that would constitute good cause to deviate from these provisions.

Finally, the Board was not provided with sufficient information to determine whether the portions of the Secretary's regulation implementing section 7(b) of the EPPA that were not included in proposed section 1.11 are applicable to the legislative branch. However, out of an abundance of caution, the Board's final regulation shall include, with appropriate modifications, the entirety of the implementing regulation, as suggested by the commenter.

B. Exemption for employees of the Capitol Police

The commenter also stated that section 1.4(e) of the regulations, which provides that the Capitol Police may administer lie detector tests to non-Capitol Police employees only during the course of an ''ongoing investigation'' by the Capitol Police, is not authorized by the CAA. The Board disagrees.

Section 204(a)(3) gives the Board authority to adopt limitations on the nature and scope of lie detector use by the Capitol Police. This is such a provision.

Contrary to the commenter's suggestion, this regulation strikes an appropriate balance between giving the Capitol Police authority to use lie detector tests for legitimate law enforcement purposes and protecting against overbroad and unreasonable use of lie detector tests by the Capitol Police with respect to covered employees not employed by it. Specifically, section 1.4(e) of the regulation makes it clear that the regulation excluding the Capitol Police from section 204 of the CAA with respect to its own employees is not a total exemption of the Capitol Police from the prohibitions on the employment-related use of lie detector tests. It prohibits employing offices other than the Capitol Police from avoiding the prohibitions of section 204 of the CAA by administering lie detector tests on their covered employees indirectly through the Capitol Police under circumstances where such tests would not be warranted by legitimate law enforcement investigative considerations.

C. Confidentiality provisions and notice to examinees

A commenter argued that the Board lacks authority to promulgate regulations implementing the confidentiality and notice provisions of sections 9 and 10 of the EPPA. The

commenter rested its argument on the fact that sections 9 and 10 of the EPPA are not textually incorporated into section 204 of the CAA.

The Board reads the statute differently. Section 204(a) provides that no employing office may require a covered employee to take a lie detector test where an employer would be prohibited from requiring such a test under paragraphs (1), (2) or (3) of section 3 of the EPPA, 29 U.S.C. §2002(1), (2) or (3). Section 3 of the EPPA in turn provides that, except as provided in sections 7 and 8 of the EPPA (29 U.S.C. §§2006 and 2007), it shall be unlawful for an employer to require a lie detector test under paragraphs (1), (2) or (3); and the use of exemptions under section 7 of the EPPA are conditioned on employer compliance with the confidentiality and notice provisions of sections 9 and 10 of the EPPA. Thus, those provisions are incorporated by reference into section 204 of the CAA. *See also* section 225(f)(1) of the CAA (except where inconsistent with definitions and exemptions provided in the CAA, the definitions and exemptions under the laws made applicable by the CAA apply under the CAA).

D. Technical and nomenclature changes

A commenter suggested a number of technical and nomenclature changes to the proposed regulations. The Board has incorporated many of the changes suggested by the commenter. However, by making these changes, the Board does not intend a substantive difference between the meaning of these sections of the regulations and the regulations of the Secretary from which the Board's regulations are derived.

E. Scope of Regulations

The regulations issued by the Board herein are on all matters for which section 204 of the CAA requires a regulation to be issued. Specifically, it is the Boards considered judgment, based on the information available to it at the time of promulgation of these regulations, that, with the exception of the regulations adopted and set forth herein, there are no other ''substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsections (a) and (b) [of section 204 of the CAA]. CAA Section 204(c).

II. Adoption of Proposed Rules as Final Regulations under Section 304(b)(3) and as Interim Regulations

Having considered the public comments to the proposed rules, the Board pursuant to section 304(b)(3) and (4) of the CAA is adopting these final regulations and transmitting them to the House and the Senate with recommendations as to the method of approval by each body under section 304(c). However, the rapidly approaching effective date of the CAA's implementation necessitates that the Board take further action with respect to these regulations. For the reasons explained below, the Board is also today adopting and issuing these rules as *interim* regulations that will be effective as of January 23, 1996 or the time upon which appropriate resolutions of approval of these interim regulations are passed by the House and/or the Senate, whichever is later. These interim regulations will remain in effect until the earlier of April 15, 1996 or the dates upon which the House and Senate complete their respective consideration of the final regulations that the Board is herein adopting.

The Board finds that it is necessary and appropriate to adopt such interim regulations and that there is ''good cause'' for making them effective as of the later of January 23, 1996, or the time upon which appropriate resolutions of approval of them are passed by the House and the Senate. In the absence of the issuance of such interim regulations, covered employees, employing offices, and the Office of Compliance staff itself would be forced to operate in regulatory uncertainty. While section 411 of the CAA provides that, ''if the Board has not issued a regulation on a matter for which this Act requires a regulation to be issued, the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue in the proceeding,'' covered employees, employing offices and the Office of Compliance staff might not know what regulation, if any, would be found applicable in particular circumstances absent the procedures suggested here. The resulting confusion and uncertainty on the part of covered employees and employing offices would be contrary to the purposes and objectives of the CAA, as well as to the interests of those whom it protects and regulates. Moreover, since the House and the Senate will likely act on the Board's final regulations within a short period of time, covered employees and employing offices would have to devote considerable attention and resources to learning, understanding, and complying with a whole set of default regulations that would then have no future application. These interim regulations prevent such a waste of resources.

The Board's authority to issue such interim regulations derives from sections 411 and 304 of the CAA. Section 411 gives the Board authority to determine whether, in the absence of the issuance of a final regulation by the Board, it is necessary and appropriate to apply the substantive regulations of the executive branch in implementing the provisions of the CAA. Section 304(a) of the CAA in turn authorizes the Board to issue substantive regulations to implement the Act. Moreover, section 304(b) of the CAA instructs that the Board shall adopt substantive regulations ''in accordance with the principles and procedures set forth in section 553 of title 5, United States Code,'' which have in turn traditionally been construed by courts to allow an agency to issue ''interim'' rules where the failure to have rules in place in a timely manner would frustrate the effective operation of a federal statute. *See, e.g., Philadelphia Citizens in Action* v. *Schweiker,* 669 F.2d 877 (3d Cir. 1982). As noted above, in the absence of the Board's adoption and issuance of these interim rules, such a frustration of the effective operation of the CAA would occur here.

In so interpreting its authority, the Board recognizes that in section 304 of the CAA, Congress specified certain procedures that the Board must follow in issuing substantive regulations. In section 304(b), Congress said that, except as specified in section 304(e), the Board must follow certain notice and comment and other procedures. The interim regulations in fact have been subject to such notice and comment and such other procedures of section 304(b).

In issuing these interim regulations, the Board also recognizes that section 304(c) specifies certain procedures that the House and the Senate are to follow in approving the Board's regulations. The Board is of the view that the essence of section 304(c)'s requirements are satisfied by making the effectiveness of these interim regulations conditional on the passage of appropriate resolutions of approval by the House and/or the Senate. Moreover, section 304(c) appears to be designed primarily for (and applicable to) final regulations of the Board, which these interim regulations are not. In short, section 304(c)'s procedures should not be understood to prevent the issuance of interim regulations that are necessary for the effective implementation of the CAA.

Indeed, the promulgation of these interim regulations clearly conforms to the spirit of section 304(c) and, in fact promotes its proper operation. As noted above, the interim regulations shall become effective only upon the passage of appropriate resolutions of approval, which is what section 304(c) contemplates. Moreover, these interim regulations allow more considered deliberation by the House and the Senate of the Board's final regulations under section 304(c).

The House has in fact already signaled its approval of such interim regulations both for itself and for the instrumentalities. On December 19, 1995, the House adopted H. Res. 311 and H. Con. Res. 123, which approve ''on a provisional basis'' regulations ''issued by the Office of Compliance before January 23, 1996.'' The Board believes these resolutions are sufficient to make these interim regulations effective for the House on January 23, 1996, though the House might want to pass new resolutions of approval in response to this pronouncement of the Board.

To the Board's knowledge, the Senate has not yet acted on H. Con. Res. 123, nor has it passed a counterpart to H. Res. 311 that would cover employing offices and employees of the Senate. As stated herein, it must do so if these interim regulations are to apply to the Senate and the other employing offices of the instrumentalities (and to prevent the default rules of the executive branch from applying as of January 23, 1996).

III. Method of Approval

The Board received no comments on the method of approval for these regulations. Therefore, the Board continues to recommend that (1) the version of the regulations that shall apply to the Senate and employees of the Senate should be approved by the Senate by resolution; (2) the version of the regulations that shall apply to the House of Representatives and employees of the House of Representatives should be approved by the House of Representatives by resolution; and (3) the version of the regulations that shall apply to other covered employees and employing offices should be approved by the Congress by concurrent resolution.

With respect to the interim version of these regulations, the Board recommends that the Senate approve them by resolution insofar as they apply to the Senate and employees of the Senate. In addition, the Board recommends that the Senate approve them by concurrent resolution insofar as they apply to other covered employees and employing offices. It is noted that the House has expressed its approval of the regulations insofar as they apply to the House and its employees through its passage of H. Res. 311 on December 19, 1995. The House also expressed its approval of the regulations insofar as they apply to other employing offices through passage of H. Con. Res. 123 on the same date; this concurrent resolution is pending before the Senate.

Accordingly, the Board of Directors of the Office of Compliance hereby adopts and submits for approval by the Congress and issues on an interim basis the following regulations:

ADOPTED REGULATIONS—AS INTERIM REGULATIONS AND AS FINAL REGULATIONS

Application of Rights and Protections of the Employee Polygraph Protection Act of 1988

Subpart A—General

Section
1.1 Purpose and scope.
1.2 Definitions.
1.3 Coverage.
1.4 Prohibitions on lie detector use.
1.5 Effect on other laws or agreements.
1.6 Notice of protection.
1.7 Authority of the Board.

1.8 Employment relationship.

Subpart B—Exemptions

1.10 Exclusion for employees of the Capitol Police. [Reserved]
1.11 Exemption for national defense and security.
1.12 Exemption for employing offices conducting investigations of economic loss or injury.
1.13 Exemption for employing offices authorized to manufacture, distribute, or dispense controlled substances.

Subpart C—Restrictions on polygraph usage under exemptions

1.20 Adverse employment action under ongoing investigation exemption.
1.21 Adverse employment action under controlled substance exemption.
1.22 Rights of examinee—general.
1.23 Rights of examinee—pretest phase.
1.24 Rights of examinee—actual testing phase.
1.25 Rights of examinee—post-test phase.
1.26 Qualifications of and requirements for examiners.

Subpart D—Recordkeeping and disclosure requirements

1.30 Records to be preserved for 3 years.
1.35 Disclosure of test information.

Subpart E—Duration of interim rules

1.40 Duration of Interim Rules.
Appendix A—Notice to Examinee

Authority: Pub. L. 104-1, 109 Stat. 3, 2 U.S.C. 1314(c)

Subpart A—General

Sec. 1.1 Purpose and scope.

Enacted into law on January 23, 1995, the Congressional Accountability Act (''CAA'') directly applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. Section 204(a) of the CAA, 2 U.S.C. §1314(a) provides that no employing office may require any covered employee (including a covered employee who does not work in that employing office) to take a lie detector test where such test would be prohibited if required by an employer under paragraphs (1), (2) or (3) of section 3 of the Employee Polygraph Protection Act of 1988 (EPPA), 29 U.S.C. §2002(1), (2) or (3). The purpose of this part is to set forth the regulations to carry out the provisions of Section 204 of the CAA.

Subpart A contains the provisions generally applicable to covered employers, including the requirements relating to the prohibitions on lie detector use. Subpart B sets forth rules regarding the statutory exemptions from application of section 204 of the CAA. Subpart C sets forth the restrictions on polygraph usage under such exemptions. Subpart D sets forth the rules on recordkeeping and the disclosure of polygraph test information.

Sec. 1.2 Definitions.

For purposes of this part:

(a) *Act* or *CAA* means the Congressional Accountability Act of 1995 (P.L. 104–1, 109 Stat. 3, 2 U.S.C. §§1301–1438).

(b) *EPPA* means the Employee Polygraph Protection Act of 1988 (Pub. L. 100-347, 102 Stat. 646, 29 U.S.C. §§2001-2009) as applied to covered employees and employing offices by Section 204 of the CAA.

(c) The term *covered employee* means any employee of (1) the House of Representatives; (2) the Senate; (3) the Capitol Guide Service; (4) the Congressional Budget Office; (5) the Office of the Architect of the Capitol; (6) the Office of the Attending Physician; (7) the Office of Compliance; or (8) the Office of Technology Assessment.

(d) The term *employee* includes an applicant for employment and a former employee.

(e) The term *employee of the Office of the Architect of the Capitol* includes any employee of the Office of the Architect of the Capitol, the Botanic Gardens, or the Senate Restaurants.

(f) The term *employee of the Capitol Police* includes any member or officer of the Capitol Police.

(g) The term *employee of the House of Representatives* includes an individual occupying a position the pay for which is disbursed by the Clerk of the House of Representatives, or another official designated by the House of Representatives, or any employment position in an entity that is paid with funds derived from the clerk-hire allowance of the House of Representatives but not any such individual employed by any entity listed in subparagraphs (3) through (8) of paragraph (c) above.

(h) The term *employee of the Senate* includes any employee whose pay is disbursed by the Secretary of the Senate, but not any such individual employed by any entity listed in subparagraphs (3) through (8) of paragraph (c) above.

(i) The term *employing office* means (1) the personal office of a Member of the House of Representatives or of a Senator; (2) a committee of the House of Representatives or the Senate or a joint committee; (3) any other office headed by a person with the final authority to appoint, hire, discharge, and set the terms, conditions, or privileges of the employment of an employee of the House of Representatives or the Senate; or (4) the Capitol Guide Board, the Congressional Budget Office, the Office of the Architect of the Capitol, the Office of the Attending Physician, the Office of Compliance, and the Office of Technology Assessment. The term *employing office* includes any person acting directly or indirectly in the interest of an employing office in relation to an employee or prospective employee. A polygraph examiner either employed for or whose services are retained for the sole purpose of administering polygraph tests ordinarily would not be deemed an employing office with respect to the examinees. Any reference to ''employer'' in these regulations includes employing offices.

(j)(1) The term *lie detector* means a polygraph, deceptograph, voice stress analyzer, psychological stress evaluator, or any other similar device (whether mechanical or electrical) that is used, or the results of which are used, for the purpose of rendering a diagnostic opinion regarding the honesty or dishonesty of an individual. Voice stress analyzers, or psychological stress evaluators, include any systems that utilize voice stress analysis, whether or not an opinion on honesty or dishonesty is specifically rendered.

(2) The term *lie detector* does not include medical tests used to determine the presence or absence of controlled substances or alcohol in bodily fluids. Also not included in the definition of *lie detector* are written or oral tests commonly referred to as ''honesty'' or ''paper and pencil'' tests, machine-scored or otherwise; and graphology tests commonly referred to as handwriting tests.

(k) The term *polygraph* means an instrument that—

(1) Records continuously, visually, permanently, and simultaneously changes in cardiovascular, respiratory, and electrodermal patterns as minimum instrumentation standards; and

(2) Is used, or the results of which are used, for the purpose of rendering a diagnostic opinion regarding the honesty or dishonesty of an individual.

(l) *Board* means the Board of Directors of the Office of Compliance.

(m) *Office* means the Office of Compliance.

Sec. 1.3 Coverage

The coverage of Section 204 of the Act extends to any ''covered employee'' or ''covered employing office'' without regard to the number of employees or the employing office's effect on interstate commerce.

Sec. 1.4 Prohibitions on lie detector use

(a) Section 204 of the CAA provides that, subject to the exemptions of the EPPA incorporated into the CAA under section 225(f) of the CAA, as set forth in Sec. 1.10 through 1.12 of this Part, employing offices are prohibited from:

(1) Requiring, requesting, suggesting or causing, directly or indirectly, any covered employee or prospective employee to take or submit to a lie detector test;

(2) Using, accepting, or inquiring about the results of a lie detector test of any covered employee or prospective employee; and

(3) Discharging, disciplining, discriminating against, denying employment or promotion, or threatening any covered employee or prospective employee to take such action for refusal or failure to take or submit to such test, or on the basis of the results of a test.

The above prohibitions apply irrespective of whether the covered employee referred to in paragraphs (1), (2) or (3), above, works in that employing office.

(b) An employing office that reports a theft or other incident involving economic loss to police or other law enforcement authorities is not engaged in conduct subject to the prohibitions under paragraph (a) of this section if, during the normal course of a subsequent investigation, such authorities deem it necessary to administer a polygraph test to a covered employee(s) suspected of involvement in the reported incident. Employing offices that cooperate with police authorities during the course of their investigations into criminal misconduct are likewise not deemed engaged in prohibitive conduct provided that such cooperation is passive in nature. For example, it is not uncommon for police authorities to request employees suspected of theft or criminal activity to submit to a polygraph test during the employee's tour of duty since, as a general rule, suspect employees are often difficult to locate away from their place of employment. Allowing a test on the employing office's premises, releasing a covered employee during working hours to take a test at police headquarters, and other similar types of cooperation at the request of the police authorities would not be construed as ''requiring, requesting, suggesting, or causing, directly or indirectly, any covered employee * * * to take or submit to a lie detector test.'' Cooperation of this type must be distinguished from actual participation in the testing of employees suspected of wrongdoing, either through the administration of a test by the employing office at the request or direction of police authorities, or through reimbursement by the employing office of tests administered by police authorities to employees. In some communities, it may be a practice of police authorities to request testing by employing offices of employees before a police investigation is initiated on a reported incident. In other communities, police examiners are available to covered employing offices, on a cost reimbursement basis, to conduct tests on employees suspected by an employing office of wrongdoing. All such conduct on the part of employing offices is deemed within the prohibitions of section 204 of the CAA.

(c) The receipt by an employing office of information from a polygraph test administered by police authorities pursuant to an investigation is prohibited by section 3(2) of the EPPA. (See paragraph (a)(2) of this section.)

(d) The simulated use of a polygraph instrument so as to lead an individual to believe that an actual test is being or may be performed (e.g., to elicit confessions or admissions of guilt) constitutes conduct prohibited by paragraph (a) of this section. Such use includes the connection of a covered employee or prospective employee to the instrument without any intention of a diagnostic purpose, the placement of the instrument in a room used for interrogation unconnected to the covered employee or prospective employee, or the mere suggestion that the instrument may be used during the course of the interview.

(e) The Capitol Police may not require a covered employee not employed by the Capitol Police to take a lie detector test (on its own initiative or at the request of another employing office) except where the Capitol Police administers such lie detector test as part of an ''ongoing investigation'' by the Capitol Police. For the purpose of this subsection, the definition of ''ongoing investigation'' contained section 1.12(b) shall apply.

Sec. 1.5 Effect on other laws or agreements

(a) Section 204 of the CAA does not preempt any otherwise applicable provision of federal law or any rule or regulation of the House or Senate or any negotiated collective bargaining agreement that prohibits lie detector tests or is more restrictive with respect to the use of lie detector tests.

(b)(1) This provision applies to all aspects of the use of lie detector tests, including procedural safeguards, the use of test results, the rights and remedies provided examinees, and the rights, remedies, and responsibilities of examiners and employing offices.

(2) For example, a collective bargaining agreement that provides greater protection to an examinee would apply in addition to the protection provided in section 204 of the CAA.

Sec. 1.6 Notice of protection

Pursuant to section 301(h) of the CAA, the Office shall prepare, in a manner suitable for posting, a notice explaining the provisions of section 204 of the CAA. Copies of such notice may be obtained from the Office of Compliance.

Sec. 1.7 Authority of the Board

Pursuant to sections 204 and 304 of the CAA, the Board is authorized to issue regulations to implement the rights and protections of the EPPA. Section 204(c) directs the Board to promulgate regulations implementing section 204 that are ''the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsections (a) and (b) [of section 204 of the CAA] except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' The regulations issued by the Board herein are on all matters for which section 204 of the CAA requires a regulation to be issued. Specifically, it is the Board's considered judgment, based on the information available to it at the time of promulgation of these regulations, that, with the exception of the regulations adopted and set forth herein, there are no other ''substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsections (a) and (b) [of section 204 of the CAA].''

In promulgating these regulations, the Board has made certain technical and nomenclature changes to the regulations as promulgated by the Secretary. Such changes are intended to make the provisions adopted accord more naturally to situations in the legislative branch. However, by making these changes, the Board does not intend a substantive difference between these regulations and those of the Secretary from which they are derived. Moreover such changes, in and of themselves, are not intended to constitute an interpretation of the regulation or of the statutory provisions of the CAA upon which they are based.

Sec. 1.8 Employment relationship

Subject to the exemptions incorporated into the CAA by section 225(f), section 204 applies the prohibitions on the use of lie detectors by employing offices with respect to covered employees irrespective of whether a covered employee works in that employing office. Sections 101 (3), (4) and 204 of the CAA also apply EPPA prohibitions against discrimination to applicants for employment and former employees of a covered employing office. For example, an employee may quit rather than take a lie detector test. The employing office cannot discriminate or threaten to discriminate in any manner against that person (such as by providing bad references in the future) because of that person's refusal to be tested. Similarly, an employing office cannot discriminate or threaten to discriminate in any manner against that person because that person files a complaint, institutes a proceeding, testifies in a proceeding, or exercises any right under section 204 of the CAA. (*See* section 207 of the CAA.)

Subpart B—Exemptions

Sec. 1.10 Exclusion for employees of the Capitol Police [Reserved]

Sec. 1.11 Exemption for national defense and security

(a) The exemptions allowing for the administration of lie detector tests in the following paragraphs (b) through (e) of this section apply only to the Federal Government; they do not allow covered employing offices to administer such tests. For the purposes of this section, the term ''Federal Government'' means any agency or entity within the Federal Government authorized to administer polygraph examinations which is otherwise exempt from coverage under section 7(a) of the EPPA, 29 U.S.C. §2006(a).

(b) Section 7(b)(1) of the EPPA, incorporated into the CAA under section 225(f) of the CAA, provides that nothing in the EPPA shall be construed to prohibit the administration of any lie detector test by the Federal Government, in the performance of any counterintelligence function, to any expert, consultant or employee of any contractor under contract with the Department of Defense; or with the Department of Energy, in connection with the atomic energy defense activities of such Department.

(c) Section 7(b)(2)(A) of the EPPA, incorporated into the CAA under section 225(f) of the CAA, provides that nothing in the EPPA shall be construed to prohibit the administration of any lie detector test by the Federal Government, in the performance of any intelligence or counterintelligence function of the National Security Agency, the Defense Intelligence Agency, or the Central Intelligence Agency, to any individual employed by, assigned to, or detailed to any such agency; or any expert or consultant under contract to any such agency; or any employee of a contractor to such agency; or any individual applying for a position in any such agency; or any individual assigned to a space where sensitive cryptologic information is produced, processed, or stored for any such agency.

(d) Section 7(b)(2)(B) of the EPPA, incorporated into the CAA under section 225(f) of the CAA, provides that nothing in the EPPA shall be construed to prohibit the administration of any lie detector test by the Federal Government, in the performance of any intelligence or counterintelligence function, to any covered employee whose duties involve access to information that has been classified at the level of top secret or designated as being within a special access program under section 4.2 (a) of Executive Order 12356 (or a successor Executive Order).

(c) *Counterintelligence* for purposes of the above paragraphs means information gathered and activities conducted to protect against espionage and other clandestine intelligence activities, sabotage, terrorist activities, or assassinations conducted for or on behalf of foreign governments, or foreign or domestic organizations or persons.

(d) Lie detector tests of persons described in the above paragraphs will be administered in accordance with applicable Department of Defense directives and regulations, or other regulations and directives governing the use of such tests by the United States Government, as applicable.

Sec. 1.12 Exemption for Employing Offices Conducting Investigations of Economic Loss or Injury

(a) Section 7(d) of the EPPA, incorporated into the CAA under section 225(f) of the CAA, provides a limited exemption from the general prohibition on lie detector use for employers conducting ongoing investigations of economic loss or injury to the employer's business. An employing office may request an employee, subject to the conditions set forth in sections 8 and 10 of the EPPA and Secs. 1.20, 1.22, 1.23, 1.24, 1.25, 1.26 and 1.35 of this part, to submit to a polygraph test, but no other type of lie detector test, only if—

(1) The test is administered in connection with an ongoing investigation involving economic loss or injury to the employing office's operations, such as theft, embezzlement, misappropriation or an act of unlawful industrial espionage or sabotage;

(2) The employee had access to the property that is the subject of the investigation;

(3) The employing office has a reasonable suspicion that the employee was involved in the incident or activity under investigation;

(4) The employing office provides the examinee with a statement, in a language understood by the examinee, prior to the test which fully explains with particularity the specific incident or activity being investigated and the basis for testing particular employees and which contains, at a minimum:

(i) An identification with particularity of the specific economic loss or injury to the operations of the employing office;

(ii) A description of the employee's access to the property that is the subject of the investigation;

(iii) A description in detail of the basis of the employing office's reasonable suspicion that the employee was involved in the incident or activity under investigation; and

(iv) Signature of a person (other than a polygraph examiner) authorized to legally bind the employing office; and

(5) The employing office retains a copy of the statement and proof of service described in paragraph (a)(4) of this section for at least 3 years.

(b) For the exemption to apply, the condition of an ''ongoing investigation'' must be met. As used in section 7(d) of the EPPA, the ongoing investigation must be of a specific incident or activity. Thus, for example, an employing office may not request that an employee or employees submit to a polygraph test in an effort to determine whether or not any thefts have occurred. Such random testing by an employing office is precluded by the EPPA. Further, because the exemption is limited to a specific incident or activity, an employing office is precluded

from using the exemption in situations where the so-called ''ongoing investigation'' is continuous. For example, the fact that items are frequently missing would not be a sufficient basis, standing alone, for administering a polygraph test. Even if the employing office can establish that unusually high amounts of property are missing in a given month, this, in and of itself, would not be a sufficient basis to meet the specific incident requirement. On the other hand, polygraph testing in response to missing property would be permitted where additional evidence is obtained through subsequent investigation of specific items missing through intentional wrongdoing, and a reasonable suspicion that the employee to be polygraphed was involved in the incident under investigation. Administering a polygraph test in circumstances where the missing property is merely unspecified, statistical shortages, without identification of a specific incident or activity that produced the missing property and a ''reasonable suspicion that the employee was involved,'' would amount to little more than a fishing expedition and is prohibited by the EPPA as applied to covered employees and employing offices by the CAA.

(c)(1)(i) The terms *economic loss or injury to the employing office's operations* include both direct and indirect economic loss or injury.

(ii) Direct loss or injury includes losses or injuries resulting from theft, embezzlement, misappropriation, espionage or sabotage. These examples, cited in the EPPA, are intended to be illustrative and not exhaustive. Another specific incident which would constitute direct economic loss or injury is the misappropriation of confidential or trade secret information.

(iii) Indirect loss or injury includes the use of an employing office's operations to commit a crime, such as check-kiting or money laundering. In such cases, the ongoing investigation must be limited to criminal activity that has already occurred, and to use of the employing office's operations (and not simply the use of the premises) for such activity. For example, the use of an employing office's vehicles, warehouses, computers or equipment to smuggle or facilitate the importing of illegal substances constitutes an indirect loss or injury to the employing office's business operations. Conversely, the mere fact that an illegal act occurs on the employing office's premises (such as a drug transaction that takes place in the employing office's parking lot or rest room) does not constitute an indirect economic loss or injury to the employing office.

(iv) Indirect loss or injury also includes theft or injury to property of another for which the employing office exercises fiduciary, managerial or security responsibility, or where the office has custody of the property (but not property of other offices to which the employees have access by virtue of the employment relationship). For example, if a maintenance employee of the manager of an apartment building steals jewelry from a tenant's apartment, the theft results in an indirect economic loss or injury to the employer because of the manager's management responsibility with respect to the tenant's apartment. A messenger on a delivery of confidential business reports for a client firm who steals the reports causes an indirect economic loss or injury to the messenger service because the messenger service is custodian of the client firm's reports, and therefore is responsible for their security. Similarly, the theft of property protected by a security service employer is considered an economic loss or injury to that employer.

(v) A theft or injury to a client firm does not constitute an indirect loss or injury to an employing office unless that employing office has custody of, or management, or security responsibility for, the property of the client that was lost or stolen or injured. For example, a cleaning contractor has no responsibility for the money at a client bank. If money is stolen from the bank by one of the cleaning contractor's employees, the cleaning contractor does not suffer an indirect loss or injury.

(vi) Indirect loss or injury does not include loss or injury which is merely threatened or potential, e.g., a threatened or potential loss of an advantageous business relationship.

(2) Economic losses or injuries which are the result of unintentional or lawful conduct would not serve as a basis for the administration of a polygraph test. Thus, apparently unintentional losses or injuries stemming from truck, car, workplace, or other similar type accidents or routine inventory or cash register shortages would not meet the economic loss or injury requirement. Any economic loss incident to lawful union or employee activity also would not satisfy this requirement.

(3) It is the operations of the employing office which must suffer the economic loss or injury. Thus, a theft committed by one employee against another employee of the same employing office would not satisfy the requirement.

(d) While nothing in the EPPA as applied by the CAA prohibits the use of medical tests to determine the presence of controlled substances or alcohol in bodily fluids, the section 7(d) exemption of the EPPA does not permit the use of a polygraph test to learn whether an employee has used drugs or alcohol, even where such possible use may have contributed to an economic loss to the employing office (e.g., an accident involving an employing office's vehicle).

(e) Section 7(d)(2) of the EPPA provides that, as a condition for the use of the exemption, the employee must have had access to the property that is the subject of the investigation.

(1) The word *access*, as used in section 7(d)(2), refers to the opportunity which an employee had to cause, or to aid or abet in causing, the specific economic loss or injury under investigation. The term ''access'', thus, includes more than direct or physical contact during the course of employment. For example, as a general matter, all employees working in or with authority to enter a property storage area have ''access'' to unsecured property in the area. All employees with the combination to a safe have ''access'' to the property in a locked safe. Employees also have ''access'' who have the ability to divert possession or otherwise affect the disposition of the property that is the subject of investigation. For example, a bookkeeper in a jewelry store with access to inventory records may aid or abet a clerk who steals an expensive watch by removing the watch from the employing office's inventory records. In such a situation, it is clear that the bookkeeper effectively has ''access'' to the property that is the subject of the investigation.

(2) As used in section 7(d)(2), *property* refers to specifically identifiable property, but also includes such things of value as security codes and computer data, and proprietary, financial or technical information, such as trade secrets, which by its availability to competitors or others would cause economic harm to the employing office.

(f)(1) As used in section 7(d)(3), the term *reasonable suspicion* refers to an observable, articulable basis in fact which indicates that a particular employee was involved in, or responsible for, an economic loss. Access in the sense of possible or potential opportunity, standing alone, does not constitute a basis for ''reasonable suspicion.'' Information from a co-worker, or an employee's behavior, demeanor, or conduct may be factors in the basis for reasonable suspicion. Likewise, inconsistencies between facts, claims, or statements that surface during an investigation can serve as a sufficient basis for reasonable suspicion. While access or opportunity, standing alone, does not constitute a basis for reasonable suspicion, the totality of circumstances surrounding the access or opportunity (such as its unauthorized or unusual nature or the fact that access was limited to a single individual) may constitute a factor in determining whether there is a reasonable suspicion.

(2) For example, in an investigation of a theft of an expensive piece of jewelry, an employee authorized to open the establishment's safe no earlier than 9 a.m., in order to place the jewelry in a window display case, is observed opening the safe at 7:30 a.m. In such a situation, the opening of the safe by the employee one and one-half hours prior to the specified time may serve as the basis for reasonable suspicion. On the other hand, in the example given, if the employee is asked to bring the piece of jewelry to his or her office at 7:30 a.m., and the employee then opened the safe and reported the jewelry missing, such access, standing alone, would not constitute a basis for reasonable suspicion that the employee was involved in the incident unless access to the safe was limited solely to the employee. If no one other than the employee possessed the combination to the safe, and all other possible explanations for the loss are ruled out, such as a break-in, a basis for reasonable suspicion may be formulated based on sole access by one employee.

(3) The employing office has the burden of establishing that the specific individual or individuals to be tested are ''reasonably suspected'' of involvement in the specific economic loss or injury for the requirement in section 7(d)(3) of the EPPA to be met.

(g)(1) As discussed in paragraph (a)(4) of this section, section 7(d)(4) of the EPPA sets forth what information, at a minimum, must be provided to an employee if the employing office wishes to claim the exemption.

(2) The statement required under paragraph (a)(4) of this section must be received by the employee at least 48 hours, excluding weekend days and holidays, prior to the time of the examination. The statement must set forth the time and date of receipt by the employee and be verified by the employee's signature. This will provide the employee with adequate pre-test notice of the specific incident or activity being investigated and afford the employee sufficient time prior to the test to obtain and consult with legal counsel or an employee representative.

(3) The statement to be provided to the employee must set forth with particularity the specific incident or activity being investigated and the basis for testing particular employees. Section 7(d)(4)(A) of the EPPA requires specificity beyond the mere assertion of general statements regarding economic loss, employee access, and reasonable suspicion. For example, an employing office's assertion that an expensive watch was stolen, and that the employee had access to the watch and is therefore a suspect, would not meet the ''with particularity'' criterion. If the basis for an employing office's requesting an employee (or employees) to take a polygraph test is not articulated with particularity, and reduced to writing, then the standard is not met. The identity of a co-worker or other individual providing information used to establish reasonable suspicion need not be revealed in the statement.

(4) It is further required that the statement provided to the examinee be signed by the employing office, or an employee or other representative of the employing office

with authority to legally bind the employing office. The person signing the statement must not be a polygraph examiner unless the examiner is acting solely in the capacity of an employing office with respect to his or her own employees and does not conduct the examination. The standard would not be met, and the exemption would not apply if the person signing the statement is not authorized to legally bind the employing office.

(h) Polygraph tests administered pursuant to this exemption are subject to the limitations set forth in sections 8 and 10 of the EPPA, as discussed in Secs. 1.20, 1.22, 1.23, 1.24, 1.25, 1.26, and 1.35 of this part. As provided in these sections, the exemption will apply only if certain requirements are met. Failure to satisfy any of the specified requirements nullifies the statutory authority for polygraph test administration and may subject the employing office to remedial actions, as provided for in section 6(c) of the EPPA.

Sec. 1.13 Exemption of Employing Offices Authorized to Manufacture, Distribute, or Dispense Controlled Substances

(a) Section 7(f) of the EPPA, incorporated into the CAA by section 225(f) of the CAA, provides an exemption from the EPPA's general prohibition regarding the use of polygraph tests for employers authorized to manufacture, distribute, or dispense a controlled substance listed in schedule I, II, III, or IV of section 202 of the Controlled Substances Act (21 U.S.C. §812). This exemption permits the administration of polygraph tests, subject to the conditions set forth in sections 8 and 10 of the EPPA and Sec. 1.21, 1.22, 1.23, 1.24, 1.25, 1.26, and 1.35 of this part, to:

(1) A prospective employee who would have direct access to the manufacture, storage, distribution, or sale of any such controlled substance; or

(2) A current employee if the following conditions are met:

(i) The test is administered in connection with an ongoing investigation of criminal or other misconduct involving, or potentially involving, loss or injury to the manufacture, distribution, or dispensing of any such controlled substance by such employing office; and

(ii) The employee had access to the person or property that is the subject of the investigation.

(b)(1) The terms *manufacture, distribute, distribution, dispense, storage, and sale,* for the purposes of this exemption, are construed within the meaning of the Controlled Substances Act (21 U.S.C. §812 et seq.), as administered by the Drug Enforcement Administration (DEA), U.S. Department of Justice.

(2) The exemption in section 7(f) of the EPPA applies only to employing offices that are authorized by DEA to manufacture, distribute, or dispense a controlled substance. Section 202 of the Controlled Substances Act (21 U.S.C. §812) requires every person who manufactures, distributes, or dispenses any controlled substance to register with the Attorney General (i.e., with DEA). Common or contract carriers and warehouses whose possession of the controlled substance is in the usual course of their business or employment are not required to register. Truck drivers and warehouse employees of the persons or entities registered with DEA and authorized to manufacture, distribute, or dispense controlled substances, are within the scope of the exemption where they have direct access or access to the controlled substances, as discussed below.

(c) In order for a polygraph examination to be performed, section 7(f) of the Act requires that a prospective employee have ''direct access'' to the controlled substance(s) manufactured, dispensed, or distributed by the employing office. Where a current employee is to be tested as a part of an ongoing investigation, section 7(f) requires that the employee have ''access'' to the person or property that is the subject of the investigation.

(1) A prospective employee would have ''direct access'' if the position being applied for has responsibilities which include contact with or which affect the disposition of a controlled substance, including participation in the process of obtaining, dispensing, or otherwise distributing a controlled substance. This includes contact or direct involvement in the manufacture, storage, testing, distribution, sale or dispensing of a controlled substance and may include, for example, packaging, repackaging, ordering, licensing, shipping, receiving, taking inventory, providing security, prescribing, and handling of a controlled substance. A prospective employee would have ''direct access'' if the described job duties would give such person access to the products in question, whether such employee would be in physical proximity to controlled substances or engaged in activity which would permit the employee to divert such substances to his or her possession.

(2) A current employee would have ''access'' within the meaning of section 7(f) if the employee had access to the specific person or property which is the subject of the on-going investigation, as discussed in Sec. 1.12(e) of this part. Thus, to test a current employee, the employee need not have had ''direct'' access to the controlled substance, but may have had only infrequent, random, or opportunistic access. Such access would be sufficient to test the employee if the employee could have caused, or could have aided or abetted in causing, the loss of the specific property which is the subject of the investigation. For example, a maintenance worker in a drug warehouse, whose job duties include the cleaning of areas where the controlled substances which are the subject of the investigation were present, but whose job duties do not include the handling of controlled substances, would be deemed to have ''access'', but normally not ''direct access'', to the controlled substances. On the other hand, a drug warehouse truck loader, whose job duties include the handling of outgoing shipment orders which contain controlled substances, would have ''direct access'' to such controlled substances. A pharmacy department in a supermarket is another common situation which is useful in illustrating the distinction between ''direct access'' and ''access.'' Store personnel receiving pharmaceutical orders, i.e., the pharmacist, pharmacy intern, and other such employees working in the pharmacy department, would ordinarily have ''direct access'' to controlled substances. Other store personnel whose job duties and responsibilities do not include the handling of controlled substances but who had occasion to enter the pharmacy department where the controlled substances which are the subject of the investigation were stored, such as maintenance personnel or pharmacy cashiers, would have ''access.'' Certain other store personnel whose job duties do not permit or require entrance into the pharmacy department for any reason, such as produce or meat clerks, checkout cashiers, or baggers, would not ordinarily have ''access.'' However, any current employee, regardless of described job duties, may be polygraphed if the employing office's investigation of criminal or other misconduct discloses that such employee in fact took action to obtain ''access'' to the person or property that is the subject of the investigation—e.g., by actually entering the drug storage area in violation of company rules. In the case of ''direct access'', the prospective employee's access to controlled substances would be as a part of the manufacturing, dispensing or distribution process, while a current employee's ''access'' to the controlled substances which are the subject of the investigation need only be opportunistic.

(d) The term *prospective employee,* for the purposes of this section, includes a current employee who presently holds a position which does not entail direct access to controlled substances, and therefore is outside the scope of the exemption's provisions for preemployment polygraph testing, provided the employee has applied for and is being considered for transfer or promotion to another position which entails such direct access. For example, an office secretary may apply for promotion to a position in the vault or cage areas of a drug warehouse, where controlled substances are kept. In such a situation, the current employee would be deemed a ''prospective employee'' for the purposes of this exemption, and thus could be subject to preemployment polygraph screening, prior to such a change in position. However, any adverse action which is based in part on a polygraph test against a current employee who is considered a ''prospective employee'' for purposes of this section may be taken only with respect to the prospective position and may not affect the employee's employment in the current position.

(e) Section 7(f) of the EPPA, as applied by the CAA, makes no specific reference to a requirement that employing offices provide current employees with a written statement prior to polygraph testing. Thus, employing offices to whom this exemption is available are not required to furnish a written statement such as that specified in section 7(d) of the EPPA and Sec. 1.12(a)(4) of this part.

(f) For the section 7(f) exemption to apply, the polygraph testing of current employees must be administered in connection with an ongoing investigation of criminal or other misconduct involving, or potentially involving, loss or injury to the manufacture, distribution, or dispensing of any such controlled substance by such employing office.

(1) Current employees may only be administered polygraph tests in connection with an ongoing investigation of criminal or other misconduct, relating to a specific incident or activity, or potential incident or activity. Thus, an employing office is precluded from using the exemption in connection with continuing investigations or on a random basis to determine if thefts are occurring. However, unlike the exemption in section 7(d) of the EPPA for employing offices conducting ongoing investigations of economic loss or injury, the section 7(f) exemption includes ongoing investigations of misconduct involving potential drug losses. Nor does the latter exemption include the requirement for ''reasonable suspicion'' contained in the section 7(d) exemption. Thus, a drug store operator is permitted to polygraph all current employees who have access to a controlled substance stolen from the inventory, or where there is evidence that such a theft is planned. Polygraph testing based on an inventory shortage of the drug during a particular accounting period would not be permitted unless there is extrinsic evidence of misconduct.

(2) In addition, the test must be administered in connection with loss or injury, or potential loss or injury, to the manufacture, distribution, or dispensing of a controlled substance.

(i) Retail drugstores and wholesale drug warehouses typically carry inventory of so-called health and beauty aids, cosmetics, over-the-counter drugs, and a variety of other similar products, in addition to their product lines of controlled drugs. The non-controlled products usually constitute

the majority of such firms' sales volumes. An economic loss or injury related to such noncontrolled substances would not constitute a basis of applicability of the section 7(f) exemption. For example, an investigation into the theft of a gross of cosmetic products could not be a basis for polygraph testing under section 7(f), but the theft of a container of valium could be.

(ii) Polygraph testing, with respect to an ongoing investigation concerning products other than controlled substances might be initiated under section 7(d) of the EPPA and Sec. 1.12 of this part. However, the exemption in section 7(f) of the EPPA and this section is limited solely to losses or injury associated with controlled substances.

(g) Polygraph tests administered pursuant to this exemption are subject to the limitations set forth in sections 8 and 10 of the EPPA, as discussed in Secs. 1.21, 1.22, 1.23, 1.24, 1.25, 1.26, and 1.35 of this part. As provided in these sections, the exemption will apply only if certain requirements are met. Failure to satisfy any of the specified requirements nullifies the statutory authority for polygraph test administration and may subject the employing office to the remedies authorized in section 204 of the CAA. The administration of such tests is also subject to collective bargaining agreements, which may either prohibit lie detector tests, or contain more restrictive provisions with respect to polygraph testing.

Subpart C—Restrictions on polygraph usage under exemptions

Sec. 1.20 Adverse employment action under ongoing investigation exemption.

(a) Section 8(a)(1) of the EPPA provides that the limited exemption in section 7(d) of the EPPA and Sec. 1.12 of this part for ongoing investigations shall not apply if an employing office discharges, disciplines, denies employment or promotion or otherwise discriminates in any manner against a current employee based upon the analysis of a polygraph test chart or the refusal to take a polygraph test, without additional supporting evidence.

(b) ''Additional supporting evidence'', for purposes of section 8(a) of the EPPA, includes, but is not limited to, the following:

(1)(i) Evidence indicating that the employee had access to the missing or damaged property that is the subject of an ongoing investigation; and

(ii) Evidence leading to the employing office's reasonable suspicion that the employee was involved in the incident or activity under investigation; or

(2) Admissions or statements made by an employee before, during or following a polygraph examination.

(c) Analysis of a polygraph test chart or refusal to take a polygraph test may not serve as a basis for adverse employment action, even with additional supporting evidence, unless the employing office observes all the requirements of sections 7(d) and 8(b) of the EPPA, as applied by the CAA and described in Secs. 1.12, 1.22, 1.23, 1.24 and 1.25 of this part.

Sec. 1.21 Adverse employment action under controlled substance exemption.

(a) Section 8(a)(2) of the EPPA provides that the controlled substance exemption in section 7(f) of the EPPA and section 1.13 of this part shall not apply if an employing office discharges, disciplines, denies employment or promotion, or otherwise discriminates in any manner against a current employee or prospective employee based solely on the analysis of a polygraph test chart or the refusal to take a polygraph test.

(b) Analysis of a polygraph test chart or refusal to take a polygraph test may serve as one basis for adverse employment actions of the type described in paragraph (a) of this section, provided that the adverse action was also based on another bona fide reason, with supporting evidence therefor. For example, traditional factors such as prior employment experience, education, job performance, etc. may be used as a basis for employment decisions. Employment decisions based on admissions or statements made by an employee or prospective employee before, during or following a polygraph examination may, likewise, serve as a basis for such decisions.

(c) Analysis of a polygraph test chart or the refusal to take a polygraph test may not serve as a basis for adverse employment action, even with another legitimate basis for such action, unless the employing office observes all the requirements of section 7(f) of the EPPA, as appropriate, and section 8(b) of the EPPA, as described in sections 1.13, 1.22, 1.23, 1.24 and 1.25 of this part.

Sec. 1.22 Rights of examinee—general.

(a) Pursuant to section 8(b) of the EPPA, the limited exemption in section 7(d) of the EPPA for ongoing investigations (described in Secs. 1.12 and 1.13 of this part) shall not apply unless all of the requirements set forth in this section and Secs. 1.23 through 1.25 of this part are met.

(b) During all phases of the polygraph testing the person being examined has the following rights:

(1) The examinee may terminate the test at any time.

(2) The examinee may not be asked any questions in a degrading or unnecessarily intrusive manner.

(3) The examinee may not be asked any questions dealing with:

(i) Religious beliefs or affiliations;

(ii) Beliefs or opinions regarding racial matters;

(iii) Political beliefs or affiliations;

(iv) Sexual preferences or behavior; or

(v) Beliefs, affiliations, opinions, or lawful activities concerning unions or labor organizations.

(4) The examinee may not be subjected to a test when there is sufficient written evidence by a physician that the examinee is suffering from any medical or psychological condition or undergoing any treatment that might cause abnormal responses during the actual testing phase. ''Sufficient written evidence'' shall constitute, at a minimum, a statement by a physician specifically describing the examinee's medical or psychological condition or treatment and the basis for the physician's opinion that the condition or treatment might result in such abnormal responses.

(5) An employee or prospective employee who exercises the right to terminate the test, or who for medical reasons with sufficient supporting evidence is not administered the test, shall be subject to adverse employment action only on the same basis as one who refuses to take a polygraph test, as described in Secs. 1.20 and 1.21 of this part.

(c) Any polygraph examination shall consist of one or more pretest phases, actual testing phases, and post-test phases, which must be conducted in accordance with the rights of examinees described in Secs. 1.23 through 1.25 of this part.

Sec. 1.23 Rights of examinee—pretest phase.

(a) The pretest phase consists of the questioning and other preparation of the prospective examinee before the actual use of the polygraph instrument. During the initial pretest phase, the examinee must be:

(1) Provided with written notice, in a language understood by the examinee, as to when and where the examination will take place and that the examinee has the right to consult with counsel or an employee representative before each phase of the test. Such notice shall be received by the examinee at least forty-eight hours, excluding weekend days and holidays, before the time of the examination, except that a prospective employee may, at the employee's option, give written consent to administration of a test anytime within 48 hours but no earlier than 24 hours after receipt of the written notice. The written notice or proof of service must set forth the time and date of receipt by the employee or prospective employee and be verified by his or her signature. The purpose of this requirement is to provide a sufficient opportunity prior to the examination for the examinee to consult with counsel or an employee representative. Provision shall also be made for a convenient place on the premises where the examination will take place at which the examinee may consult privately with an attorney or an employee representative before each phase of the test. The attorney or representative may be excluded from the room where the examination is administered during the actual testing phase.

(2) Informed orally and in writing of the nature and characteristics of the polygraph instrument and examination, including an explanation of the physical operation of the polygraph instrument and the procedure used during the examination.

(3) Provided with a written notice prior to the testing phase, in a language understood by the examinee, which shall be read to and signed by the examinee. Use of Appendix A to this part, if properly completed, will constitute compliance with the contents of the notice requirement of this paragraph. If a format other than in Appendix A is used, it must contain at least the following information:

(i) Whether or not the polygraph examination area contains a two-way mirror, a camera, or other device through which the examinee may be observed;

(ii) Whether or not any other device, such as those used in conversation or recording will be used during the examination;

(iii) That both the examinee and the employing office have the right, with the other's knowledge, to make a recording of the entire examination;

(iv) That the examinee has the right to terminate the test at any time;

(v) That the examinee has the right, and will be given the opportunity, to review all questions to be asked during the test;

(vi) That the examinee may not be asked questions in a manner which degrades, or needlessly intrudes;

(vii) That the examinee may not be asked any questions concerning religious beliefs or opinions; beliefs regarding racial matters; political beliefs or affiliations; matters relating to sexual behavior; beliefs, affiliations, opinions, or lawful activities regarding unions or labor organizations;

(viii) That the test may not be conducted if there is sufficient written evidence by a physician that the examinee is suffering from a medical or psychological condition or undergoing treatment that might cause abnormal responses during the examination;

(ix) That the test is not and cannot be required as a condition of employment;

(x) That the employing office may not discharge, dismiss, discipline, deny employment or promotion, or otherwise discriminate against the examinee based on the analysis of a polygraph test, or based on the examinee's refusal to take such a test, without additional evidence which would support such action;

(xi)(A) In connection with an ongoing investigation, that the additional evidence required for the employing office to take adverse action against the examinee, including

termination, may be evidence that the examinee had access to the property that is the subject of the investigation, together with evidence supporting the employing office's reasonable suspicion that the examinee was involved in the incident or activity under investigation;

(B) That any statement made by the examinee before or during the test may serve as additional supporting evidence for an adverse employment action, as described in paragraph (a)(3)(x) of this section, and that any admission of criminal conduct by the examinee may be transmitted to an appropriate government law enforcement agency;

(xii) That information acquired from a polygraph test may be disclosed by the examiner or by the employing office only:

(A) To the examinee or any other person specifically designated in writing by the examinee to receive such information;

(B) To the employing office that requested the test;

(C) To a court, governmental agency, arbitrator, or mediator pursuant to a court order;

(D) By the employing office, to an appropriate governmental agency without a court order where, and only insofar as, the information disclosed is an admission of criminal conduct;

(xiii) That if any of the examinee's rights or protections under the law are violated, the examinee has the right to take action against the employing office under sections 401-404 of the CAA. Employing offices that violate this law are liable to the affected examinee, who may recover such legal or equitable relief as may be appropriate, including, but not limited to, employment, reinstatement, and promotion, payment of lost wages and benefits, and reasonable costs, including attorney's fees;

(xiv) That the examinee has the right to obtain and consult with legal counsel or other representative before each phase of the test, although the legal counsel or representative may be excluded from the room where the test is administered during the actual testing phase.

(xv) That the employee's rights under the CAA may not be waived, either voluntarily or involuntarily, by contract or otherwise, except as part of a written settlement to a pending action or complaint under the CAA, agreed to and signed by the parties.

(b) During the initial or any subsequent pretest phases, the examinee must be given the opportunity, prior to the actual testing phase, to review all questions in writing that the examiner will ask during each testing phase. Such questions may be presented at any point in time prior to the testing phase.

Sec. 1.24 Rights of examinee—actual testing phase

(a) The actual testing phase refers to that time during which the examiner administers the examination by using a polygraph instrument with respect to the examinee and then analyzes the charts derived from the test. Throughout the actual testing phase, the examiner shall not ask any question that was not presented in writing for review prior to the testing phase. An examiner may, however, recess the testing phase and return to the pre-test phase to review additional relevant questions with the examinee. In the case of an ongoing investigation, the examiner shall ensure that all relevant questions (as distinguished from technical baseline questions) pertain to the investigation.

(b) No testing period subject to the provisions of the Act shall be less than ninety minutes in length. Such ''test period'' begins at the time that the examiner begins informing the examinee of the nature and characteristics of the examination and the instruments involved, as prescribed in section 8(b)(2)(B) of the EPPA and Sec. 1.23(a)(2) of this part, and ends when the examiner completes the review of the test results with the examinee as provided in Sec. 1.25 of this part. The ninety-minute minimum duration shall not apply if the examinee voluntarily acts to terminate the test before the completion thereof, in which event the examiner may not render an opinion regarding the employee's truthfulness.

Sec. 1.25 Rights of examinee—post-test phase

(a) The post-test phase refers to any questioning or other communication with the examinee following the use of the polygraph instrument, including review of the results of the test with the examinee. Before any adverse employment action, the employing office must:

(1) Further interview the examinee on the basis of the test results; and

(2) Give to the examinee a written copy of any opinions or conclusions rendered in response to the test, as well as the questions asked during the test, with the corresponding charted responses. The term ''corresponding charted responses'' refers to copies of the entire examination charts recording the employee's physiological responses, and not just the examiner's written report which describes the examinee's responses to the questions as ''charted'' by the instrument.

Sec. 1.26 Qualifications of and requirements for examiners

(a) Section 8 (b) and (c) of the EPPA provides that the limited exemption in section 7(d) of the EPPA for ongoing investigations shall not apply unless the person conducting the polygraph examination meets specified qualifications and requirements.

(b) An examiner must meet the following qualifications:

(1) Have a valid current license, if required by the State in which the test is to be conducted; and

(2) Carry a minimum bond of $50,000 provided by a surety incorporated under the laws of the United States or of any State, which may under those laws guarantee the fidelity of persons holding positions of trust, or carry an equivalent amount of professional liability coverage.

(c) An examiner must also, with respect to examinees identified by the employing office pursuant to Sec. 1.30(c) of this part:

(1) Observe all rights of examinees, as set out in Secs. 1.22, 1.23, 1.24, and 1.25 of this part;

(2) Administer no more than five polygraph examinations in any one calendar day on which a test or tests subject to the provisions of EPPA are administered, not counting those instances where an examinee voluntarily terminates an examination prior to the actual testing phase;

(3) Administer no polygraph examination subject to the provisions of the EPPA which is less than ninety minutes in duration, as described in Sec. 1.24(b) of this part; and

(4) Render any opinion or conclusion regarding truthfulness or deception in writing. Such opinion or conclusion must be based solely on the polygraph test results. The written report shall not contain any information other than admissions, information, case facts, and interpretation of the charts relevant to the stated purpose of the polygraph test and shall not include any recommendation concerning the employment of the examinee.

(5) Maintain all opinions, reports, charts, written questions, lists, and other records relating to the test, including, statements signed by examinees advising them of rights under the CAA (as described in section 1.23(a)(3) of this part) and any electronic recordings of examinations, for at least three years from the date of the administration of the test. (See section 1.30 of this part for recordkeeping requirements.)

Subpart D—Recordkeeping and disclosure requirements

Sec. 1.30 Records to be preserved for 3 years

(a) The following records shall be kept for a minimum period of three years from the date the polygraph examination is conducted (or from the date the examination is requested if no examination is conducted):

(1) Each employing office that requests an employee to submit to a polygraph examination in connection with an ongoing investigation involving economic loss or injury shall retain a copy of the statement that sets forth the specific incident or activity under investigation and the basis for testing that particular covered employee, as required by section 7(d)(4) of the EPPA and described in 1.12(a)(4) of this part.

(2) Each examiner retained to administer examinations pursuant to any of the exemptions under section 7(d), (e) or (f) of the EPPA (described in sections 1.12 and 1.13 of this part) shall maintain all opinions, reports, charts, written questions, lists, and other records relating to polygraph tests of such persons.

Sec. 1.35 Disclosure of test information

This section prohibits the unauthorized disclosure of any information obtained during a polygraph test by any person, other than the examinee, directly or indirectly, except as follows:

(a) A polygraph examiner or an employing office (other than an employing office exempt under section 7 (a), or (b) of the EPPA (described in Secs. 1.10 and 1.11 of this part)) may disclose information acquired from a polygraph test only to:

(1) The examinee or an individual specifically designated in writing by the examinee to receive such information;

(2) The employing office that requested the polygraph test pursuant to the provisions of the EPPA (including management personnel of the employing office where the disclosure is relevant to the carrying out of their job responsibilities);

(3) Any court, governmental agency, arbitrator, or mediator pursuant to an order from a court of competent jurisdiction requiring the production of such information;

(b) An employing office may disclose information from the polygraph test at any time to an appropriate governmental agency without the need of a court order where, and only insofar as, the information disclosed is an admission of criminal conduct.

(c) A polygraph examiner may disclose test charts, without identifying information (but not other examination materials and records), to another examiner(s) for examination and analysis, provided that such disclosure is for the sole purpose of consultation and review of the initial examiner's opinion concerning the indications of truthfulness or deception. Such action would not constitute disclosure under this part provided that the other examiner has no direct or indirect interest in the matter.

Subpart E—Duration of Interim Regulations

Sec. 1.40 Duration of Interim Regulations

These interim regulations for the House, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House of Representatives and the Senate, whichever is earlier.

Appendix A to Part 801—Notice to Examinee

Section 204 of the Congressional Accountability Act, which applies the rights and protections of section 8(b) of the Employee Polygraph Protection Act to covered employees and employing offices, and the regulations of the Board of Directors of the Office of Compliance (Sections 1.22, 1.23, 1.24, and 1.25), require that you be given the following information before taking a polygraph examination:

1. (a) The polygraph examination area [does] [does not] contain a two-way mirror, a camera, or other device through which you may be observed.

(b) Another device, such as those used in conversation or recording, [will] [will not] be used during the examination.

(c) Both you and the employing office have the right, with the other's knowledge, to record electronically the entire examination.

2. (a) You have the right to terminate the test at any time.

(b) You have the right, and will be given the opportunity, to review all questions to be asked during the test.

(c) You may not be asked questions in a manner which degrades, or needlessly intrudes.

(d) You may not be asked any questions concerning: Religious beliefs or opinions; beliefs regarding racial matters; political beliefs or affiliations; matters relating to sexual preference or behavior; beliefs, affiliations, opinions, or lawful activities regarding unions or labor organizations.

(e) The test may not be conducted if there is sufficient written evidence by a physician that you are suffering from a medical or psychological condition or undergoing treatment that might cause abnormal responses during the examination.

(f) You have the right to consult with legal counsel or other representative before each phase of the test, although the legal counsel or other representative may be excluded from the room where the test is administered during the actual testing phase.

3. (a) The test is not and cannot be required as a condition of employment.

(b) The employing office may not discharge, dismiss, discipline, deny employment or promotion, or otherwise discriminate against you based on the analysis of a polygraph test, or based on your refusal to take such a test without additional evidence which would support such action.

(c)(1) In connection with an ongoing investigation, the additional evidence required for an employing office to take adverse action against you, including termination, may be (A) evidence that you had access to the property that is the subject of the investigation, together with (B) the evidence supporting the employing office's reasonable suspicion that you were involved in the incident or activity under investigation.

(2) Any statement made by you before or during the test may serve as additional supporting evidence for an adverse employment action, as described in 3(b) above, and any admission of criminal conduct by you may be transmitted to an appropriate government law enforcement agency.

4. (a) Information acquired from a polygraph test may be disclosed by the examiner or by the employing office only:

(1) To you or any other person specifically designated in writing by you to receive such information;

(2) To the employing office that requested the test;

(3) To a court, governmental agency, arbitrator, or mediator that obtains a court order.

(b) Information acquired from a polygraph test may be disclosed by the employing office to an appropriate governmental agency without a court order where, and only insofar as, the information disclosed is an admission of criminal conduct.

5. If any of your rights or protections under the law are violated, you have the right to take action against the employing office by filing a request for counseling with the Office of Compliance under section 402 of the Congressional Accountability Act. Employing offices that violate this law are liable to the affected examinee, who may recover such legal or equitable relief as may be appropriate, including, but not limited to, employment, reinstatement, and promotion, payment of lost wages and benefits, and reasonable costs, including attorney's fees.

6. Your rights under the CAA may not be waived, either voluntarily or involuntarily, by contract or otherwise, except as part of a written settlement to a pending action or complaint under the CAA, and agreed to and signed by the parties.

I acknowledge that I have received a copy of the above notice, and that it has been read to me.

_____
(Date)

_____
(Signature)

OFFICE OF COMPLIANCE—THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT OF 1988

NOTICE OF ADOPTION OF REGULATION AND SUBMISSION FOR APPROVAL AND ISSUANCE OF INTERIM REGULATIONS

Summary: The Board of Directors, Office of Compliance, after considering comments to its Notice of Proposed Rulemaking published November 28, 1995 in the Congressional Record, has adopted, and is submitting for approval by the Congress, final regulations implementing section 205 of the Congressional Accountability Act of 1995 (''CAA''). The Board is also adopting and issuing such regulations as interim regulations for the House of Representatives, the Senate, and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions of approval are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

For Further Information Contact: Executive Director, Office of Compliance, Room LA 200, Library of Congress, Washington, D.C. 20540–1999. Telephone: (202) 724–9250.

Background and Summary

Supplementary Information: The Congressional Accountability Act of 1995 (''CAA''), P.L. 104–1, was enacted into law on January 23, 1995. 2 U.S.C. §§1301 et seq. In general, the CAA applies the rights and protections of eleven federal labor and employment statutes to covered employees and employing offices within the legislative branch. Section 205 of the CAA provides that no employing office shall be closed or a mass layoff ordered within the meaning of section 3 of the Worker Adjustment Retraining and Notification Act of 1988, 29 U.S.C. §2102 (''WARN''), until the end of a 60-day period after the employing office serves written notice of such prospective closing or layoff to representatives of covered employees or, if there are no representatives, to covered employees. 2 U.S.C. §1315(a). Section 225(f) of the CAA provides that, ''[e]xcept where inconsistent with definitions and exemptions provided in this Act, the definitions and exemptions in [WARN] shall apply under this Act.'' 2 U.S.C. §1361(f).

Sections 205(c) and 304(a) of the CAA directs the Board of Directors of the Office of Compliance established under the CAA to issue regulations implementing section 205 of the CAA. 2 U.S.C. §§1315(c), 1384(a). Section 205(c) further states that such regulations ''shall be the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' 2 U.S.C. §1315(c).

To obtain input from interested persons on the content of these regulations, the Board published for comment a Notice of Proposed Rulemaking in the Congressional Record, 141 Cong. Rec. S17652 (daily ed., Nov. 28, 1995), inviting comments regarding the proposed regulations. The Board received three comments on the proposed regulations from interested parties. Two of the comments, without elaboration, supported the regulations as proposed. Only one commenter took issue with sections of the proposed regulations and the Board's resolution of certain issues raised in the NPR. In addition, the Office has sought consultations with the Secretary of Labor regarding the proposed regulations, pursuant to section 304(g) of the CAA.

After full consideration of the comments received in response to the proposed rule, the Board has adopted and is submitting these regulations for approval by the Congress. Moreover, pursuant to sections 304 and 411, the Board is adopting and issuing such regulations as interim regulations for the House, the Senate and the employing offices of the instrumentalities effective on January 23, 1996 or on the dates upon which appropriate resolutions of approval are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, respectively, whichever is earlier.

I. Summary of Comments and Board's Final Rules

A. Employer coverage

One commenter suggested that, in proposed section 639.3(a), the Board replace the term ''business enterprise'' with ''of the offices listed in section 101(9) of the CAA, 2 U.S.C. §1301(9).'' Upon consideration of the matter, the Board incorporates the commenter's suggestion because the modification accurately and precisely states the coverage of the provision.

B. Sale of business

A commenter suggested that the concept of a ''sale of business'' in proposed section 639.4(c) of the regulations is inapplicable to this commenter's specific operations. It suggests that the language of proposed section 639.4(c) be changed from ''sale of business'' to ''privatization.''

The Board sees no substantive difference between the concept of ''sale of business'' and ''privatization'' for purposes of this section. Therefore, the Board adds the nomenclature suggested by the commenter to accord more naturally to situations within the legislative branch. However, by making this change, the Board does not intend any substantive difference between the meaning of section 639.3(c) and the section of the Secretary's regulations from which it is derived.

C. Encouragement regarding notice

A commenter suggested that proposed section 639.1(c), which encourages employing offices to give notice even where not required, be deleted. The commenter suggested that the deletion is justified because section 7 of WARN, which provides authority for this regulation, is not incorporated into the CAA.

On further consideration of the matter, the Board will not include this section in its adopted regulation. The section does not implement any substantive requirement of WARN, as applied by the CAA, and thus its inclusion in these regulations is not required by the CAA.

D. Technical and nomenclature changes

A commenter suggested a number of technical and nomenclature changes to the proposed regulations to make them more precise in their application to the legislative branch. The Board has incorporated many of the changes suggested by the commenter. However, by making these changes, the Board does not intend a substantive difference in the meaning of these sections of the Board's regulations and those of the Secretary from which the Board's regulations are derived.

E. Scope of regulations

The regulations issued by the Board herein are on all matters for which section 205 of the CAA requires a regulation to be issued. Specifically, it is the Board's considered judgment, based on the information available to it at the time of promulgation of these regulations, that, with the exception of regulations adopted and set forth herein, there are no other ''substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 205 of the CAA].'' 2 U.S.C. §1315(c).

II. Adoption of Proposed Rules as Final Regulations under Section 304(b)(3) and as Interim Regulations

Having considered the public comments to the proposed rules, the Board, pursuant to section 304(b)(3) and (4) of the CAA, is adopting these final regulations and transmitting them to the House and the Senate with recommendations as to the method of approval by each body under section 304(c). However, the rapidly approaching effective date of the CAA's implementation necessitates that the Board take further action with respect to these regulations. For the reasons explained below, the Board is also today adopting and issuing these rules as *interim* regulations that will be effective as of January 23, 1996 or the time upon which appropriate resolutions of approval of these interim regulations are passed by the House and/or the Senate, whichever is later. These interim regulations will remain in effect until the earlier of April 15, 1996 or the dates upon which the House and Senate complete their respective consideration of the final regulations that the Board is herein adopting.

The Board finds that it is necessary and appropriate to adopt such interim regulations and that there is ''good cause'' for making them effective as of the later of January 23, 1996, or the time upon which appropriate resolutions of approval of them are passed by the House and the Senate. In the absence of the issuance of such interim regulations, covered employees, employing offices, and the Office of Compliance staff itself would be forced to operate in regulatory uncertainty. While section 411 of the CAA provides that, ''if the Board has not issued a regulation on a matter for which this Act requires a regulation to be issued, the hearing officer, Board, or court, as the case may be, shall apply, to the extent necessary and appropriate, the most relevant substantive executive agency regulation promulgated to implement the statutory provision at issue in the proceeding,'' covered employees, employing offices and the Office of Compliance staff might not know what regulation, if any, would be found applicable in particular circumstances absent the procedures suggested here. The resulting confusion and uncertainty on the part of covered employees and employing offices would be contrary to the purposes and objectives of the CAA, as well as to the interests of those whom it protects and regulates. Moreover, since the House and the Senate will likely act on the Board's final regulations within a short period of time, covered employees and employing offices would have to devote considerable attention and resources to learning, understanding, and complying with a whole set of default regulations that would then have no future application. These interim regulations prevent such a waste of resources.

The Board's authority to issue such interim regulations derives from sections 411 and 304 of the CAA. Section 411 gives the Board authority to determine whether, in the absence of the issuance of a final regulation by the Board, it is necessary and appropriate to apply the substantive regulations of the executive branch in implementing the provisions of the CAA. Section 304(a) of the CAA in turn authorizes the Board to issue substantive regulations to implement the Act. Moreover, section 304(b) of the CAA instructs that the Board shall adopt substantive regulations ''in accordance with the principles and procedures set forth in section 553 of title 5, United States Code,'' which have in turn traditionally been construed by courts to allow an agency to issue ''interim'' rules where the failure to have rules in place in a timely manner would frustrate the effective operation of a federal statute. *See, e.g., Philadelphia Citizens in Action v. Schweiker*, 669 F.2d 877 (3d Cir. 1982). As noted above, in the absence of the Board's adoption and issuance of these interim rules, such a frustration of the effective operation of the CAA would occur here.

In so interpreting its authority, the Board recognizes that in section 304 of the CAA, Congress specified certain procedures that the Board must follow in issuing substantive regulations. In section 304(b), Congress said that, except as specified in section 304(e), the Board must follow certain notice and comment and other procedures. The interim regulations in fact have been subject to such notice and comment and such other procedures of section 304(b).

In issuing these interim regulations, the Board also recognizes that section 304(c) specifies certain procedures that the House and the Senate are to follow in approving the Board's regulations. The Board is of the view that the essence of section 304(c)'s requirements are satisfied by making the effectiveness of these interim regulations conditional on the passage of appropriate resolutions of approval by the House and/or the Senate. Moreover, section 304(c) appears to be designed primarily for (and applicable to) final regulations of the Board, which these interim regulations are not. In short, section 304(c)'s procedures should not be understood to prevent the issuance of interim regulations that are necessary for the effective implementation of the CAA.

Indeed, the promulgation of these interim regulations clearly conforms to the spirit of section 304(c) and, in fact promotes its proper operation. As noted above, the interim regulations shall become effective only upon the passage of appropriate resolutions of approval, which is what section 304(c) contemplates. Moreover, these interim regulations allow more considered deliberation by the House and the Senate of the Board's final regulations under section 304(c).

The House has in fact already signaled its approval of such interim regulations both for itself and for the instrumentalities. On December 19, 1995, the House adopted H. Res. 311 and H. Con. Res. 123, which approve ''on a provisional basis'' regulations ''issued by the Office of Compliance before January 23, 1996.'' The Board believes these resolutions are sufficient to make these interim regulations effective for the House on January 23, 1996, though the House might want to pass new resolutions of approval in response to this pronouncement of the Board.

To the Board's knowledge, the Senate has not yet acted on H. Con. Res. 123, nor has it passed a counterpart to H. Res. 311 that would cover employing offices and employees of the Senate. As stated herein, it must do so if these interim regulations are to apply to the Senate and the other employing offices of the instrumentalities (and to prevent the default rules of the executive branch from applying as of January 23, 1996).

III. Method of Approval

The Board received no comments on the method of approval for these regulations. Therefore, the Board continues to recommend that (1) the version of the regulations that shall apply to the Senate and employees of the Senate should be approved by the Senate by resolution; (2) the version of the regulations that shall apply to the House of Representatives and employees of the House of Representatives should be approved by the House of Representatives by resolution; and (3) the version of the regulations that shall apply to other covered employees and employing offices should be approved by the Congress by concurrent resolution.

With respect to the interim version of these regulations, the Board recommends that the Senate approve them by resolution insofar as they apply to the Senate and employees of the Senate. In addition, the Board recommends that the Senate approve them by concurrent resolution insofar as they apply to other covered employees and employing offices. It is noted that the House has expressed its approval of the regulations insofar as they apply to the House and its employees through its passage of H. Res. 311 on December 19, 1995. The House also expressed its approval of the regulations insofar as they apply to other employing offices through passage of H. Con. Res. 123 on the same date; this concurrent resolution is pending before the Senate.

Accordingly, the Board of Directors of the Office of Compliance hereby adopts and submits for approval by the Congress and issues on an interim basis the following regulations:

ADOPTED REGULATIONS—AS INTERIM REGULATIONS AND AS FINAL REGULATIONS

Application of Rights and Protections of the Worker Adjustment Retraining and Notification Act of 1988 (Implementing Section 204 of the CAA)

Sec.
639.1 Purpose and scope.
639.2 What does WARN require?
639.3 Definitions.
639.4 Who must give notice?
639.5 When must notice be given?
639.6 Who must receive notice?
639.7 What must the notice contain?
639.8 How is the notice served?
639.9 When may notice be given less than 60 days in advance?
639.10 When may notice be extended?
639.11 Duration of Interim Regulations

§639.1 Purpose and scope

(a) *Purpose of WARN as applied by the CAA.* Section 205 of the Congressional Accountability Act, P.L. 104–1 (''CAA''), provides protection to covered employees and their families by requiring employing offices to provide notification 60 calendar days in advance of office closings and mass layoffs within the meaning of section 3 of the Worker Adjustment and Retraining Notification Act of 1988, 29 U.S.C. §2102. Advance notice provides workers and their families some transition

time to adjust to the prospective loss of employment, to seek and obtain alternative jobs and, if necessary, to enter skill training or retraining that will allow these workers to successfully compete in the job market. As used in these regulations, WARN shall refer to the provisions of WARN applied to covered employing offices by section 205 of the CAA.

(b) *Scope of these regulations*. These regulations are issued by the Board of Directors, Office of Compliance, pursuant to sections 205(c) and 304 of the CAA, which directs the Board to promulgate regulations implementing section 205 that are ''the same as substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 205 of the CAA] except insofar as the Board may determine, for good cause shown . . . that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' The regulations issued by the Board herein are on all matters for which section 205 of the CAA requires a regulation to be issued. Specifically, it is the Board's considered judgment, based on the information available to it at the time of promulgation of these regulations, that, with the exception of regulations adopted and set forth herein, there are no other ''substantive regulations promulgated by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) [of section 205 of the CAA].''

In promulgating these regulations, the Board has made certain technical and nomenclature changes to the regulations as promulgated by the Secretary. Such changes are intended to make the provisions adopted accord more naturally to situations in the legislative branch. However, by making these changes, the Board does not intend a substantive difference between these sections and those of the Secretary from which they are derived. Moreover, such changes, in and of themselves, are not intended to constitute an interpretation of the regulation or of the statutory provisions of the CAA upon which they are based.

These regulations establish basic definitions and rules for giving notice, implementing the provisions of WARN. The objective of these regulations is to establish clear principles and broad guidelines which can be applied in specific circumstances. However, it is recognized that rulemaking cannot address the multitude of employing office-specific situations in which advance notice will be given.

(c) *Notice in ambiguous situations*. It is civically desirable and it would appear to be good business practice for an employing office to provide advance notice, where reasonably possible, to its workers or unions when terminating a significant number of employees. The Office encourages employing offices to give notice in such circumstances.

(d) *WARN not to supersede other laws and contracts*. The provisions of WARN do not supersede any otherwise applicable laws or collective bargaining agreements that provide for additional notice or additional rights and remedies. If such law or agreement provides for a longer notice period, WARN notice shall run concurrently with that additional notice period. Collective bargaining agreements may be used to clarify or amplify the terms and conditions of WARN, but may not reduce WARN rights.

§ 639.2 What does WARN require?

WARN requires employing offices that are planning an office closing or a mass layoff to give affected employees at least 60 days' notice of such an employment action. While the 60-day period is the minimum for advance notice, this provision is not intended to discourage employing offices from voluntarily providing longer periods of advance notice. Not all office closings and layoffs are subject to WARN, and certain employment thresholds must be reached before WARN applies. WARN sets out specific exemptions, and provides for a reduction in the notification period in particular circumstances. Remedies authorized under section 205 of the CAA may be assessed against employing offices that violate WARN requirements.

§ 639.3 Definitions

(a) *Employing office*. (1) The term ''employing office'' means any of the entities listed in section 101(9) of the CAA, 2 U.S.C. § 1301(9) that employs—

(i) 100 or more employees, excluding part-time employees; or

(ii) employs 100 or more employees, including part-time employees, who in the aggregate work at least 4,000 hours per week, exclusive of overtime.

Workers on temporary layoff or on leave who have a reasonable expectation of recall are counted as employees. An employee has a ''reasonable expectation of recall'' when he/she understands, through notification or through common practice, that his/her employment with the employing office has been temporarily interrupted and that he/she will be recalled to the same or to a similar job.

(2) Workers, other than part-time workers, who are exempt from notice under section 4 of WARN, are nonetheless counted as employees for purposes of determining coverage as an employing office.

(3) An employing office may have one or more sites of employment under common control.

(b) *Office closing*. The term ''office closing'' means the permanent or temporary shutdown of a ''single site of employment'', or one or more ''facilities or operating units'' within a single site of employment, if the shutdown results in an ''employment loss'' during *any 30-day period* at the single site of employment for *50 or more* employees, excluding any part-time employees. An employment action that results in the effective cessation of the work performed by a unit, even if a few employees remain, is a shutdown. A ''temporary shutdown'' triggers the notice requirement only if there are a sufficient number of terminations, layoffs exceeding 6 months, or reductions in hours of work as specified under the definition of ''employment loss.''

(c) *Mass layoff*. (1) The term ''mass layoff'' means a reduction in force which first, is not the result of an office closing, and second, results in an employment loss at the single site of employment during *any 30-day period* for:

(i) *At least 33 percent* of the active employees, excluding part-time employees, and

(ii) *At least 50 employees*, excluding part-time employees.

Where 500 or more employees (excluding part-time employees) are affected, the 33% requirement does not apply, and notice is required if the other criteria are met. Office closings involve employment loss which results from the shutdown of one or more distinct units within a single site or the entire site. A mass layoff involves employment loss, regardless of whether one or more units are shut down at the site.

(2) Workers, other than part-time workers, who are exempt from notice under section 4 of WARN are nonetheless counted as employees for purposes of determining coverage as an office closing or mass layoff. For example, if an employing office closes a temporary project on which 10 permanent and 40 temporary workers are employed, a covered office closing has occurred although only 10 workers are entitled to notice.

(d) *Representative*. The term ''representative'' means an exclusive representative of employees within the meaning of 5 U.S.C. §§ 7101 *et seq.*, as applied to covered employees and employing offices by section 220 of the CAA, 2 U.S.C. § 1351.

(e) *Affected employees*. The term ''affected employees'' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed office closing or mass layoff by their employing office. This includes individually identifiable employees who will likely lose their jobs because of bumping rights or other factors, to the extent that such individual workers reasonably can be identified at the time notice is required to be given. The term affected employees includes managerial and supervisory employees. Consultant or contract employees who have a separate employment relationship with another employing office or employer and are paid by that other employing office or employer, or who are self-employed, are not ''affected employees'' of the operations to which they are assigned. In addition, for purposes of determining whether coverage thresholds are met, either incumbent workers in jobs being eliminated or, if known 60 days in advance, the actual employees who suffer an employment loss may be counted.

(f) *Employment loss*. (1) The term employment loss means (i) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (ii) a layoff exceeding 6 months, or (iii) a reduction in hours of work of individual employees of more than 50% during each month of any 6-month period.

(2) Where a termination or a layoff (see paragraphs (f)(1) (i) and (ii) of this section) is involved, an employment loss does not occur when an employee is reassigned or transferred to employing office-sponsored programs, such as retraining or job search activities, as long as the reassignment does not constitute a constructive discharge or other involuntary termination.

(3) An employee is not considered to have experienced an employment loss if the closing or layoff is the result of the relocation or consolidation of part or all of the employing office's operations and, prior to the closing or layoff—

(i) The employing office offers to transfer the employee to a different site of employment within a reasonable commuting distance with no more than a 6-month break in employment, or

(ii) The employing office offers to transfer the employee to any other site of employment regardless of distance with no more than a 6-month break in employment, and the employee accepts within 30 days of the offer or of the closing or layoff, whichever is later.

(4) A ''relocation or consolidation'' of part or all of an employing office's operations, for purposes of paragraph § 639.3(f)(3), means that some definable operations are transferred to a different site of employment and that transfer results in an office closing or mass layoff.

(g) *Part-time employee*. The term ''part-time'' employee means an employee who is employed for an average of fewer than 20 hours per week or who has been employed for fewer than 6 of the 12 months preceding the date on which notice is required, including workers who work full-time. This term may include workers who would traditionally be understood as ''seasonal'' employees. The period to be used for calculating whether a worker has worked ''an average of fewer than 20 hours per week'' is the shorter of the actual time the worker has been employed or the most recent 90 days.

(h) *Single site of employment.* (1) A single site of employment can refer to either a single location or a group of contiguous locations. Separate facilities across the street from one another may be considered a single site of employment.

(2) There may be several single sites of employment within a single building, such as an office building, if separate employing offices conduct activities within such a building. For example, an office building housing 50 different employing offices will contain 50 single sites of employment. The offices of each employing office will be its single site of employment.

(3) Separate buildings or areas which are not directly connected or in immediate proximity may be considered a single site of employment if they are in reasonable geographic proximity, used for the same purpose, and share the same staff and equipment.

(4) Non-contiguous sites in the same geographic area which do not share the same staff or operational purpose should not be considered a single site.

(5) Contiguous buildings operated by the same employing office which have separate management and have separate workforces are considered separate single sites of employment.

(6) For workers whose primary duties require travel from point to point, who are outstationed, or whose primary duties involve work outside any of the employing office's regular employment sites (e.g., railroad workers, bus drivers, salespersons), the single site of employment to which they are assigned as their home base, from which their work is assigned, or to which they report will be the single site in which they are covered for WARN purposes.

(7) Foreign sites of employment are not covered under WARN. U.S. workers at such sites are counted to determine whether an employing office is covered as an employing office under §639.3(a).

(8) The term ''single site of employment'' may also apply to truly unusual organizational situations where the above criteria do not reasonably apply. The application of this definition with the intent to evade the purpose of WARN to provide notice is not acceptable.

(i) *Facility or operating unit.* The term ''facility'' refers to a building or buildings. The term ''operating unit'' refers to an organizationally or operationally distinct product, operation, or specific work function within or across facilities at the single site.

§639.4 Who must give notice?

Section 205(a)(1) of the CAA states that ''[n]o employing office shall be closed or a mass layoff ordered within the meaning of section 3 of [WARN] until the end of a 60-day period after the employing office serves written notice of such prospective closing or layoff. . .'' Therefore, an employing office that is anticipating carrying out an office closing or mass layoff is required to give notice to affected employees or their representative(s). (See definitions in §639.3 of this part.).

(a) It is the responsibility of the employing office to decide the most appropriate person within the employing office's organization to prepare and deliver the notice to affected employees or their representative(s). In most instances, this may be the local site office manager, the local personnel director or a labor relations officer.

(b) An employing office that has previously announced and carried out a short-term layoff (6 months or less) which is being extended beyond 6 months due to circumstances not reasonably foreseeable at the time of the initial layoff is required to give notice when it becomes reasonably foreseeable that the extension is required. A layoff extending beyond 6 months from the date the layoff commenced for any other reason shall be treated as an employment loss from the date of its commencement.

(c) In the case of the privatization or sale of part or all of an employing office's operations, the employing office is responsible for providing notice of any office closing or mass layoff which takes place up to and including the effective date (time) of the privatization or sale, and the contractor or buyer is responsible for providing any required notice of any office closing or mass layoff that takes place thereafter.

(1) If the employing office is made aware of any definite plans on the part of the buyer or contractor to carry out an office closing or mass layoff within 60 days of purchase, the employing office may give notice to affected employees as an agent of the buyer or contractor, if so empowered. If the employing office does not give notice, the buyer or contractor is, nevertheless, responsible to give notice. If the employing office gives notice as the agent of the buyer or contractor, the responsibility for notice still remains with the buyer or contractor.

(2) It may be prudent for the buyer or contractor and employing office to determine the impacts of the privatization or sale on workers, and to arrange between them for advance notice to be given to affected employees or their representative(s), if a mass layoff or office closing is planned.

§639.5 When must notice be given?

(a) *General rule.* (1) With certain exceptions discussed in paragraphs (b) and (c) of this section and in §639.9 of this part, notice must be given at least 60 calendar days prior to any planned office closing or mass layoff, as defined in these regulations. When all employees are not terminated on the same date, the date of the first individual termination within the statutory 30-day or 90-day period triggers the 60-day notice requirement. A worker's last day of employment is considered the date of that worker's layoff. The first and each subsequent group of terminees are entitled to a full 60 days' notice. In order for an employing office to decide whether issuing notice is required, the employing office should—

(i) Look ahead 30 days and behind 30 days to determine whether employment actions both taken and planned will, in the aggregate for any 30-day period, reach the minimum numbers for an office closing or a mass layoff and thus trigger the notice requirement; and

(ii) Look ahead 90 days and behind 90 days to determine whether employment actions both taken and planned each of which separately is not of sufficient size to trigger WARN coverage will, in the aggregate for any 90-day period, reach the minimum numbers for an office closing or a mass layoff and thus trigger the notice requirement. An employing office is not, however, required under section 3(d) to give notice if the employing office demonstrates that the separate employment losses are the result of separate and distinct actions and causes, and are not an attempt to evade the requirements of WARN.

(2) The point in time at which the number of employees is to be measured for the purpose of determining coverage is the date the first notice is required to be given. If this ''snapshot'' of the number of employees employed on that date is clearly unrepresentative of the ordinary or average employment level, then a more representative number can be used to determine coverage. Examples of unrepresentative employment levels include cases when the level is near the peak or trough of an employment cycle or when large upward or downward shifts in the number of employees occur around the time notice is to be given. A more representative number may be an average number of employees over a recent period of time or the number of employees on an alternative date which is more representative of normal employment levels. Alternative methods cannot be used to evade the purpose of WARN, and should only be used in unusual circumstances.

(b) *Transfers.* (1) Notice is not required in certain cases involving transfers, as described under the definition of ''employment loss'' at §639.3(f) of this part.

(2) An offer of reassignment to a different site of employment should not be deemed to be a ''transfer'' if the new job constitutes a constructive discharge.

(3) The meaning of the term ''reasonable commuting distance'' will vary with local conditions. In determining what is a ''reasonable commuting distance,'' consideration should be given to the following factors: geographic accessibility of the place of work, the quality of the roads, customarily available transportation, and the usual travel time.

(4) In cases where the transfer is beyond reasonable commuting distance, the employing office may become liable for failure to give notice if an offer to transfer is not accepted within 30 days of the offer or of the closing or layoff (whichever is later). Depending upon when the offer of transfer was made by the employing office, the normal 60-day notice period may have expired and the office closing or mass layoff may have occurred. An employing office is, therefore, well advised to provide 60-day advance notice as part of the transfer offer.

(c) *Temporary employment.* (1) No notice is required if the closing is of a temporary facility, or if the closing or layoff is the result of the completion of a particular project or undertaking, and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project or undertaking.

(2) Employees must clearly understand at the time of hire that their employment is temporary. When such understandings exist will be determined by reference to employment contracts, collective bargaining agreements, or employment practices of other employing offices or a locality, but the burden of proof will lie with the employing office to show that the temporary nature of the project or facility was clearly communicated should questions arise regarding the temporary employment understandings.

§639.6 Who must receive notice?

Section 3(a) of WARN provides for notice to each representative of the affected employees as of the time notice is required to be given or, if there is no such representative at that time, to each affected employee.

(a) *Representative(s) of affected employees.* Written notice is to be served upon the chief elected officer of the exclusive representative(s) or bargaining agent(s) of affected employees at the time of the notice. If this person is not the same as the officer of the local union(s) representing affected employees, it is recommended that a copy also be given to the local union official(s).

(b) *Affected employees.* Notice is required to be given to employees who may reasonably be expected to experience an employment loss. This includes employees who will likely lose their jobs because of bumping rights or other factors, to the extent that such workers can be identified at the time notice is required to be given. If, at the time notice is required to be given, the employing office cannot identify the employee who may reasonably be expected to experience an employment loss due to the elimination of a

particular position, the employing office must provide notice to the incumbent in that position. While part-time employees are not counted in determining whether office closing or mass layoff thresholds are reached, such workers are due notice.

§ 639.7 What must the notice contain?

(a) *Notice must be specific.* (1) All notice must be specific.

(2) Where voluntary notice has been given more than 60 days in advance, but does not contain all of the required elements set out in this section, the employing office must ensure that all of the information required by this section is provided in writing to the parties listed in § 639.6 at least 60 days in advance of a covered employment action.

(3) Notice may be given conditional upon the occurrence or nonoccurrence of an event only when the event is definite and the consequences of its occurrence or nonoccurrence will necessarily, in the normal course of operations, lead to a covered office closing or mass layoff less than 60 days after the event. The notice must contain each of the elements set out in this section.

(4) The information provided in the notice shall be based on the best information available to the employing office at the time the notice is served. It is not the intent of the regulations that errors in the information provided in a notice that occur because events subsequently change or that are minor, inadvertent errors are to be the basis for finding a violation of WARN.

(b) As used in this section, the term ''date'' refers to a specific date or to a 14-day period during which a separation or separations are expected to occur. If separations are planned according to a schedule, the schedule should indicate the specific dates on which or the beginning date of each 14-day period during which any separations are expected to occur. Where a 14-day period is used, notice must be given at least 60 days in advance of the first day of the period.

(c) Notice to each representative of affected employees is to contain:

(1) The name and address of the employment site where the office closing or mass layoff will occur, and the name and telephone number of an employing office official to contact for further information;

(2) A statement as to whether the planned action is expected to be permanent or temporary and, if the entire office is to be closed, a statement to that effect;

(3) The expected date of the first separation and the anticipated schedule for making separations;

(4) The job titles of positions to be affected and the names of the workers currently holding affected jobs.

The notice may include additional information useful to the employees such as information on available dislocated worker assistance, and, if the planned action is expected to be temporary, the estimated duration, if known.

(d) Notice to each affected employee who does not have a representative is to be written in language understandable to the employees and is to contain:

(1) A statement as to whether the planned action is expected to be permanent or temporary and, if the entire office is to be closed, a statement to that effect;

(2) The expected date when the office closing or mass layoff will commence and the expected date when the individual employee will be separated;

(3) An indication whether or not bumping rights exist;

(4) The name and telephone number of an employing office official to contact for further information.

The notice may include additional information useful to the employees such as information on available dislocated worker assistance, and, if the planned action is expected to be temporary, the estimated duration, if known.

§ 639.8 How is the notice served?

Any reasonable method of delivery to the parties listed under § 639.6 of this part which is designed to ensure receipt of notice of at least 60 days before separation is acceptable (e.g., first class mail, personal delivery with optional signed receipt). In the case of notification directly to affected employees, insertion of notice into pay envelopes is another viable option. A ticketed notice, i.e., preprinted notice regularly included in each employee's pay check or pay envelope, does not meet the requirements of WARN.

§ 639.9 When may notice be given less than 60 days in advance?

Section 3(b) of WARN, as applied by section 205 of the CAA, sets forth two conditions under which the notification period may be reduced to less than 60 days. The employing office bears the burden of proof that conditions for the exceptions have been met. If one of the exceptions is applicable, the employing office must give as much notice as is practicable to the union and non-represented employees and this may, in some circumstances, be notice after the fact. The employing office must, at the time notice actually is given, provide a brief statement of the reason for reducing the notice period, in addition to the other elements set out in § 639.7.

(a) The ''unforeseeable business circumstances'' exception under section 3(b)(2)(A) of WARN, as applied under the CAA, applies to office closings and mass layoffs caused by circumstances that were not reasonably foreseeable at the time that 60-day notice would have been required.

(1) An important indicator of a circumstance that is not reasonably foreseeable is that the circumstance is caused by some sudden, dramatic, and unexpected action or condition outside the employing office's control.

(2) The test for determining when circumstances are not reasonably foreseeable focuses on an employing office's business judgment. The employing office must exercise such reasonable business judgment as would a similarly situated employing office in predicting the demands of its operations. The employing office is not required, however, to accurately predict general economic conditions that also may affect its operations.

(b) The ''natural disaster'' exception in section 3(b)(2)(B) of WARN applies to office closings and mass layoffs due to any form of a natural disaster.

(1) Floods, earthquakes, droughts, storms, tidal waves or tsunamis and similar effects of nature are natural disasters under this provision.

(2) To qualify for this exception, an employing office must be able to demonstrate that its office closing or mass layoff is a direct result of a natural disaster.

(3) While a disaster may preclude full or any advance notice, such notice as is practicable, containing as much of the information required in § 639.7 as is available in the circumstances of the disaster still must be given, whether in advance or after the fact of an employment loss caused by a natural disaster.

(4) Where an office closing or mass layoff occurs as an indirect result of a natural disaster, the exception does not apply but the ''unforeseeable business circumstance'' exception described in paragraph (a) of this section may be applicable.

§ 639.10 When may notice be extended?

Additional notice is required when the date or schedule of dates of a planned office closing or mass layoff is extended beyond the date or the ending date of any 14-day period announced in the original notice as follows:

(a) If the postponement is for less than 60 days, the additional notice should be given as soon as possible to the parties identified in § 639.6 and should include reference to the earlier notice, the date (or 14-day period) to which the planned action is postponed, and the reasons for the postponement. The notice should be given in a manner which will provide the information to all affected employees.

(b) If the postponement is for 60 days or more, the additional notice should be treated as new notice subject to the provisions of §§ 639.5, 639.6 and 639.7 of this part. Rolling notice, in the sense of routine periodic notice, given whether or not an office closing or mass layoff is impending, and with the intent to evade the purpose of the Act rather than give specific notice as required by WARN, is not acceptable.

§ 639.11 Duration of interim regulations

These interim regulations for the House, the Senate and the employing offices of the instrumentalities are effective on January 23, 1996 or on the dates upon which appropriate resolutions are passed, whichever is later. The interim regulations shall expire on April 15, 1996 or on the dates on which appropriate resolutions concerning the Board's final regulations are passed by the House and the Senate, whichever is earlier.

The PRESIDING OFFICER (Mr. THOMAS). Are there others who wish to speak?

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF A BALANCED BUDGET PROPOSAL—MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT OF THE SENATE—PM 109

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate on January 6, 1996, received a message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

I hereby submit to the Congress a plan to achieve a balanced budget not later than the fiscal year 2002 as certified by the Congressional Budget Office of January 6, 1996. This plan has been prepared by Senator Daschle and if passed in its current form by the Congress, I would sign it into law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 6, 1996*.

REPORT CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO LIBYA—MESSAGE FROM THE PRESIDENT—PM 110

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of July 12, 1995, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa–9(c).

1. On January 3, 1996, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is prohibited, and all assets owned or controlled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked.

2. There has been one amendment to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the ''Regulations''), administered by the Office of Foreign Assets Control (FAC) of the Department of the Treasury, since my last report on July 12, 1995. The amendment (60 *Fed. Reg.* 37940–37941, July 25, 1995) added three hotels in Malta to appendix A, Organizations Determined to Be Within the Term ''Government of Libya'' (Specially Designated Nationals (SDNs) of Libya). A copy of the amendment is attached to this report.

Pursuant to section 550.304(a) of the Regulations, FAC has determined that these entities designated as SDNs are owned or controlled by, or acting or purporting to act directly or indirectly on behalf of, the Government of Libya, or are agencies, instrumentalities, or entities of that government. By virtue of this determination, all property and interests in property of these entities that are in the United States or in the possession or control of U.S. persons are blocked. Further, U.S. persons are prohibited from engaging in transactions with these entities unless the transactions are licensed by FAC. The designations were made in consultation with the Department of State.

3. During the current 6-month period, FAC made numerous decisions with respect to applications for licenses to engage in transactions under the Regulations, issuing 54 licensing determinations—both approvals and denials. Consistent with FAC's ongoing scrutiny of banking transactions, the largest category of license approvals (20) concerned requests by Libyan and non-Libyan persons or entities to unblock transfers interdicted because of an apparent Government of Libya interest. A license was also issued to a local taxing authority to foreclose on a property owned by the Government of Libya for failure to pay property tax arrearages.

4. During the current 6-month period, FAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made on or behalf of Libya. The Office worked closely with the banks to implement new interdiction software systems to identify such payments. As a result, during the reporting period, more than 107 transactions potentially involving Libya, totaling more than $26.0 million, were interdicted. As of December 4, 23 of these transactions had been authorized for release, leaving a net amount of more than $24.6 million blocked.

Since my last report, FAC collected 27 civil monetary penalties totaling more than $119,500, for violations of the U.S. sanctions against Libya. Fourteen of the violations involved the failure of banks or credit unions to block funds transfers to Libyan-owned or -controlled banks. Two other penalties were received from corporations for export violations or violative payments to Libya for unlicensed trademark transactions. Eleven additional penalties were paid by U.S. citizens engaging in Libyan oilfield-related transactions while another 40 cases involving similar violations are in active penalty processing.

In November 1995, guilty verdicts were returned in two cases involving illegal exportation of U.S. goods to Libya. A jury in Denver, Colorado, found a Denver businessman guilty of violating the Regulations and IEEPA when he exported 50 trailers from the United States to Libya in 1991. A Houston, Texas, jury found three individuals and two companies guilty on charges of conspiracy and violating the Regulations and IEEPA for transactions relating to the 1992 shipment of oilfield equipment from the United States to Libya. Also in November, a Portland, Oregon, lumber company entered a two-count felony information plea agreement for two separate shipments of U.S.-origin lumber to Libya during 1993. These three actions were the result of lengthy criminal investigations begun in prior reporting periods. Several other investigations from prior reporting periods are continuing and new reports of violations are being pursued.

5. The expenses incurred by the Federal Government in the 6-month period from July 6, 1995, through January 5, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately $990,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

6. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. In adopting UNSCR 883 in November 1993, the Security Council determined that the continued failure of the Government of Libya to demonstrate by concrete actions its renunciation of terrorism, and in particular its continued failure to respond fully and effectively to the requests and decisions of the Security Council in Resolutions 731 and 548, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 22, 1996*.

MESSAGES FROM THE HOUSE

At 3:52 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution:

S. Con. Res. 39. Concurrent Resolution providing for the ''State of the Union'' address by the President of the United States.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1802. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of

D.C. Act 11–172 adopted by the Council on December 5, 1995; to the Committee on Governmental Affairs.

EC–1803. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–173 adopted by the Council on December 5, 1995; to the Committee on Governmental Affairs.

EC–1804. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–174 adopted by the Council on December 5, 1995; to the Committee on Governmental Affairs.

EC–1805. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–175 adopted by the Council on December 5, 1995; to the Committee on Governmental Affairs.

EC–1806. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–176 adopted by the Council on December 5, 1995; to the Committee on Governmental Affairs.

EC–1807. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–177 adopted by the Council on December 5, 1995; to the Committee on Governmental Affairs.

EC–1808. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–178 adopted by the Council on December 5, 1995; to the Committee on Governmental Affairs.

EC–1809. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–179 adopted by the Council on December 5, 1995; to the Committee on Governmental Affairs.

EC–1810. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, a report relative to foreign entities and the secondary Arab boycott of Israel; to the Committee on Armed Services.

EC–1811. A communication from the Architect of the Capitol, transmitting, pursuant to law, the report of expenditures for the period April 1, 1995 through September 30, 1995; to the Committee on Appropriations.

EC–1812. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 94–18; to the Committee on Appropriations.

EC–1813. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations legislation within five days of enactment; to the Committee on the Budget.

EC–1814. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations legislation within five days of enactment; to the Committee on the Budget.

EC–1815. A communication from the Clerk of the United States Court of Federal Claims, transmitting, pursuant to law, the report of the Court for fiscal year 1995; to the Committee on the Judiciary.

EC–1816. A communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual proceedings of the One Hundred and Fourth Continental Congress of the National Society of the Daughters of the American Revolution; to the Committee on Rules and Administration.

EC–1817. A communication from the Secretary of Defense, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–1818. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1819. A communication from the Chairman of the Defense Nuclear Facilities Safety Board, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1820. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1821. A communication from the Acting Archivist of the United States, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1822. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1823. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1824. A communication from the Chairman of the Nuclear Waste Technical Review Board, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1825. A communication from the Chairman of the Occupational Safety and Health Review Commission, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1826. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1827. A communication from the Chairman, Labor and Management members of the Railroad Retirement Board, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1828. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1829. A communication from the Director of the Woodrow Wilson Center, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1830. A communication from the Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1831. A communication from the Director of the Office of Personnel Management (The President's Pay Agent), transmitting, pursuant to law, the report relative to locality-based comparability payments for General Schedule employees for calendar year 1996; to the Committee on Governmental Affairs.

EC–1832. A communication from the President of the National Endowment for Democracy, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1833. A communication from the Commissioner of the Susquehanna River Basin Commission, transmitting, a notice relative to the absence of formal internal controls and the Department of the Interior; to the Committee on Governmental Affairs.

EC–1834. A communication from the Commissioner of the Delaware River Basin Commission, transmitting, a notice relative to the absence of formal internal controls and the Department of the Interior; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. D'AMATO, from the Special Committee To Investigate Whitewater Development Corporation and Related Matters:

Special Report entitled ''Progress of the Investigation Into Whitewater Development Corporation and Related Matters and Recommendation for Future Finding'' (Rept. No. 104–204).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. GREGG, Mr. HELMS, Mr. SHELBY, and Mr. COVERDELL):

S. 1519. A bill to prohibit United States voluntary and assessed contributions to the United Nations if the United Nations imposes any tax or fee on United States persons or continues to develop or promote proposals for such taxes or fees; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE:

S. Res. 209. A resolution to provide for the approval of interim regulations applicable to the Senate and the employees of the Senate and adopted by the Board of the Office of Compliance before January 23, 1996, and for other purposes; considered and agreed to.

S. Con. Res. 39. A concurrent resolution providing for the ''State of the Union'' address by the President of the United States; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. GREGG, Mr. HELMS, Mr. SHELBY, and Mr. COVERDELL):

S. 1519. A bill to prohibit United States voluntary and assessed contributions to the United Nations if the

United Nations imposes any tax or fee on United States persons or continues to develop or promote proposals for such taxes or fees; to the Committee on Foreign Relations.

THE PROHIBITION ON U.N. TAXATION ACT

Mr. DOLE. Mr. President, imagine a percentage of every international airline ticket, every letter mailed overseas, every international trade transaction, and every exchange of foreign currency being collected for the use of unelected unaccountable international bureaucrats. Billions of dollars available outside the control of any government. Is this the paranoid fantasy in a science fiction thriller? No, it is the real world plans of United Nations bureaucrats, led by the current U.N. Secretary General Boutros Boutros-Ghali to develop a network of global taxation to fund the United Nations outside the scrutiny of the United States or any other country.

For years, United Nations bureaucrats and their allies in special interest groups and academia have dreamed about funding the United Nations through global taxes and other revenue-raising schemes. Taxes on air travel, military expenditures, postage, energy sources, currency transactions could raise as much as $300 billion a year—subject only to the whims of the bloated U.N. bureaucrats. Tax collecting would allow the United Nations to do as it pleases, not as its member states wanted. As Boutros Boutros-Ghali said earlier this month, such revenue power would mean ''I will not be under the daily financial control of the member states.''

While there has been tepid opposition to the taxation plans of Boutros Boutros-Ghali from the Clinton administration, it is far from certain even strong U.S. opposition could halt these U.N. schemes—the United States has only 1 of 185 votes in the U.N. General Assembly. It is not certain that any revenue raising initiative would be subject to the U.S. veto in the U.N. Security Council.

It is true the United Nations is facing a serious shortfall of funds. And it is true the United States owes a large part of this debt—in excess of $1 billion. The Republican Congress has been unwilling to provide funds to clear up this debt because of the absence of often promised and never delivered reform. While Boutros Boutros-Ghali and his supporters consistently point to the multibillion shortfall, they ignore, cover up, and excuse outrageous abuses occurring regularly throughout the U.N. system.

Let me give you a few examples.

In 1994 and 1995, more than one-half million dollars was spent on the special committee on the situation with regard to the implementation on the granting of independence to colonial countries and territories. Long after decolonization was over, the United Nations was searching for ways to liberate such territories as American Samoa and the U.S. Virgin Islands—both of which have voting representatives in the U.S. Congress.

The World Health Organization [WHO] spends 75 percent of its $1 billion budget on staff, and much of the rest on conferences, travel and printing. Senior staff positions have increased more than 60 percent since the current director-general took office in 1988. When a U.N.-commissioned 50th anniversary history discussed corruption in the process of naming the current WHO chief, U.N. censors deleted the references.

In April, 1994, the U.N. office in Somalia lost $3.9 million kept in a cabinet with a poor lock. Despite repeated warnings, U.N. officials took no action to secure the funds. A month later, a U.N. military officer in Somalia lost $61,000 and another $76,000 was destroyed in a flood in the drought-plagued country.

The International Labor Organization [ILO] will spend $30 million in 1994–95 on conference organization and printing for special events.

Mr. President, these are but a handful of examples of waste, fraud and abuse at the United Nations. They waste real money every day. Seriously addressing the rampant corruption and inefficiency throughout the United Nations system is the way to resolve U.N. funding problems—not taxing American citizens.

As today's Washington Times editorial and article make clear, the U.N. tax idea is not an idle pursuit of some dreamers—it is a concept that U.N. employees spend time developing, promoting and publicizing. It is time for Congress to act. It is time to say no taxation without representation in the United Nations and it is time to shut down U.N. organizations which spend their time—and American taxpayers dollars—scheming to get into American wallets for even more money.

Today, with Senators GREGG, HELMS, and SHELBY, I am introducing S. 1519, ''The Prohibition of United Nations Taxation Act of 1996.'' The bill does three things. First, it lays out congressional findings on U.N. taxation and concludes the United Nations has no legal authority to tax American citizens. Second, it prohibits U.S. payments to the United Nations if it attempts to impose any of the taxation schemes. Third, the bill cuts off funds for any United Nations organization which develop or advocates taxation schemes. Companion legislation will be introduced in the House of Representatives today by Congressman GERALD SOLOMON and others. Congressman SOLOMON has a long record of involvement in United Nations reform issues, and I thank him for his leadership on this issue.

I know both Chairman HELMS at the Foreign Relations Committee and Chairman GREGG at the Appropriations Committee plan to hold Senate hearings on the taxation plans of the United Nations. I expect to discuss the possibility of hearings with Finance Committee Chairman ROTH as well. I commend Senator GREGG and Senator HELMS for their leadership on this issue as well as our other original cosponsor, Senator SHELBY.

The Clinton administration has begun to discuss the possibility of U.N. reform. Many of my colleagues have been involved in the effort to bring serious change to the United Nations. But as long as the United Nations spends its time on global taxation and not on its severe shortcomings, real reform will be impossible. And as long as Boutros Boutros-Ghali has visions of becoming the tax collector for the U.N. state, real reform will be impossible. The out-of-control pursuit of power by the United Nations has made the Prohibition on United Nations Taxation Act of 1996 necessary. I am confident it will be enacted this year.

I ask that the editorial from today's Washington Times and the letter to GAO sent by Senator HELMS, Senator GREGG, and myself be printed in the RECORD.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

I say to my colleagues that we certainly welcome additional cosponsors.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Prohibition on United Nations Taxation Act of 1996''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) in 1948, the average United States family with children paid only three percent of its income in Federal taxes;

(2) in 1996, the average United States family with children paid more than 24 percent of its income in Federal taxes;

(3) United Nations officials have made numerous and repeated proposals to provide financing for the United Nations outside the scrutiny of Member States of the United Nations, including borrowing from international financial institutions, assuming control of bonds issued by Member States, and imposing taxes on an extensive range of transactions, goods, and services;

(4) the 1994 ''Human Development Report'' of the United Nations Development Program stated that ''[i]t is appropriate that the proceeds of an international tax be devoted to international purposes and be placed at the disposal of international institutions.'';

(5) on January 14, 1996, United Nations General Secretary Boutros Boutros-Ghali stated that an international tax would mean that ''[he would] not be under the daily financial will of the Member States.'';

(6) American taxpayers have paid approximately $30,000,000,000 to the United Nations since 1945;

(7) the United Nations and its organizations are replete with mismanagement, waste, corruption, and inefficiency which cost American taxpayers millions of dollars each year;

(8) the power to tax is an attribute of sovereignty;

(9) the United Nations does not have the attributes of sovereignty and is not a sovereign power; and

(10) the United Nations has no legal authority to impose taxes on United States citizens.

SEC. 3. PROHIBITION OF IMPOSITION OF GLOBAL TAXATION OR MULTILATERAL BANK BORROWING.

The United States may not pay any voluntary or assessed contribution to the United Nations or any of its specialized or affiliated agencies if the United Nations—

(1) attempts to implement or impose any taxation or fee on any United States persons; or

(2) borrows funds from the International Bank for Reconstruction and Development (commonly referred to as the ''World Bank''), the International Monetary Fund, or any other similar or regional international financial institution.

SEC. 4. PROHIBITION ON CONTINUED DEVELOPMENT AND PROMOTION OF GLOBAL TAXATION PROPOSALS.

The United States may not pay any voluntary or assessed contribution to the United Nations or any of its specialized or affiliated agencies (including the United Nations Development Program) unless the President certifies in writing to the Congress 15 days in advance of such payment that the United Nations or such agency, as the case may be, is not engaged in any effort to develop, advocate, promote, or publicize any proposal concerning taxation or fees on United States persons in order to raise revenue for the United Nations or any such agency.

SEC. 5. STATUTORY CONSTRUCTION.

Payments prohibited under this Act include disbursements to the United Nations pursuant to any undertaking made by the United States before the prohibition becomes effective.

SEC. 6. DEFINITIONS.

As used in this Act:

(1) The term ''person'' has the meaning given such term in section 7701(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C. 7701(a)(1)).

(2) The term ''taxation or fees on United States persons'' includes any tax or fee assessed on United States persons on a per capita basis or on a transaction or user basis, including but not limited to any tax or fee on international air travel, foreign exchange transactions, the mails, or extraction or use of natural resources.

U.S. SENATE,
OFFICE OF THE REPUBLICAN LEADER,
Washington DC, January 17, 1996.

Hon. CHARLES BOWSHER,
U.S. Comptroller General, General Accounting Office, 441 ''G'' Street Northwest, Washington, DC.

DEAR MR. BOWSHER: In recent months, there has been increasing attention to various proposals which would allow the United Nations and its affiliated organizations to independently raise revenue by taxing American citizens. United Nations revenue-raising proposals under discussion include commercial and non-commercial borrowing, imposition of fees, issuance of bonds, and taxation of airline, postal, currency energy or other transactions.

We are deeply concerned about the legal, financial and policy implications of independent revenue-raising authority available to the United Nations or its affiliated organizations. Accordingly, we would appreciate your answering the following questions concerning various United Nations proposals:

What funding sources are available to United Nations organizations apart from contributions from Member states? What authority does the United Nations have for each of these sources?

How much revenue is raised by United Nations organizations through private contributions or through commercial sales of goods and services?

Which United Nations organizations currently have commercial or other borrowing authority? To what extent has borrowing occurred and under what legal authority?

What is the status of United Nations efforts to secure borrowing authority from the World Bank or other international financial institutions? Is there legal authority for such borrowing?

What is the status of the Secretary General's proposal concerning the issuance of bond or obligations made at the time of the 1995 G–7 meeting in Halifax, Nova Scotia?

What tax or fee proposals have been made by United Nations officials? By what officials and under what authority have these proposals been made? What action has been taken on these proposals (including the so-called ''Tobin tax'' on currency transactions endorsed by the United Nations Development Program)?

How much have United Nations organizations spent developing, publishing and advocating revenue-raising proposals?

What impact would each of these revenue-raising proposals have on U.S. obligations under any bilateral or multilateral agreements to which the U.S. is a party, including any trade agreements?

What role have American citizens employed by the United Nations played in advocating taxation and other revenue-raising proposals? Are there any circumstances under which United Nations revenue-raising proposals could be binding on United States citizens without an Act of Congress?

What is the process for approval of revenue-raising proposals by United Nations organizations, including the role of the Security Council and General Assembly? Are there any circumstances under which United Nations taxation proposals could be adopted over United States opposition?

What is the status under United States domestic law and relevant international law of each of the United Nations revenue-raising proposals?

What is United States government policy on each of the revenue-raising proposals, and how effectively has it been carried out?

The issue of United Nations plans to raise revenue outside the scrutiny of Member states will be the focus of serious attention by Congress in the coming weeks. We appreciate your expeditious response to our request.

Sincerely,

BOB DOLE.
JESSIE HELMS.
JUDD GREGG.

[From the Washington Times, Jan. 22, 1996]

HOW NOT TO FUND THE U.N.

What do D.C. Control Board Chairman Andrew Brimmer and U.N. Secretary-General Boutros Boutros-Ghali have in common? Well, beyond trying to reform overgrown and ineffective bureaucracies, they both apparently have commuter taxes on their minds. The same week Mr. Brimmer hauled out that deader than dead political rabbit out of his chairman's hat, Mr. Boutros-Ghali was mulling over the same subject in an interview with the British Broadcasting Corp. It must be something in the air.

As reported by The Washington Times' Cathy Toups, Mr. Boutros-Ghali suggested that a $1.50 surcharge on international airline tickets might help the United Nations solve its fiscal troubles. ''We would not be under the daily financial will of member states who are unwilling to pay up,'' Mr. Boutros-Ghali said, thinking no doubt of the United States which currently owes $1.2 billion in back dues. Mr. Boutros-Ghali also suggested a levy on currency transactions and has previously proposed borrowing money from the World Bank to cover the organization's shortfall. All of which understandably has set alarm bells ringing here in Washington.

In a letter to the editor printed nearby, U.N. spokesman Joe Sills, writes that no commuter tax is currently under consideration by the United Nations and that Mr. Boutros-Ghali only spoke as someone heading a large organization with difficulties making ends meet. Further, Mr. Sills writes, the United Nations cannot raise or spend money without the approval of its member nations, which means that the United States has the power to veto a U.N. commuter tax any day. Accordingly, there is no reason to get unduly exercised about Mr. Boutros-Ghali's statements.

But even if no such formal proposal has been brought to the floor of the General Assembly, Mr. Boutros-Ghali himself is obviously considering it. Nor is Mr. Boutros-Ghali just any old U.N. official. As secretary-general, he has a great deal to do with setting the organization's agenda. Just look at the area of peacekeeping; it has grown manifold under his leadership, for better and sometimes for worse. In the absence of firm international leadership from the United States, Mr. Boutros-Ghali's views have in fact carried unusual weight.

The problem with a U.N. commuter tax—indeed reason why it so appeals to the secretary-general—is precisely that it would give the U.N. bureaucracy a measure of independence from its member governments. Why such a scheme should never come to fruition is clear. Most importantly, only sovereign governments can levy taxes and the United Nations is not a government, no matter the aspirations of its leaders and minions. Secondarily, an independent source of revenue would alleviate the pressure on the organization to reform itself, which is currently being applied by the United States. In principle, member states may have the last word on how the money is spent, but so do they now, and the organization is still riddled with corruption and waste as recorded meticulously by its new inspector general.

Knowing all of this, Senate Majority leader Bob Dole, Senate Foreign Relations Committee Chairman Jesse Helms and Judd Gregg, chairman of the Senate appropriations subcommittee responsible for U.N. payments, have announced their intention to introduce legislation to prevent the Clinton administration from pursuing Mr. Boutros-Ghali's train of thought any further. All three have written to Charles Bowsher, U.N. comptroller general, to determine the status of proposals out there, such as U.N. commercial and non-commercial borrowing, imposition of various fees, issuance of bonds, and commuter and international transaction taxes. And Mr. Helms' committee is planning to hold hearings on the matter.

All of which seem like perfectly reasonable precautions. Mr. Sills reassures us that the United Nation's is only an instrument of the will of its member nations. That's fine, It should stay that way, which means that the governments of its member nations must continue to hold the purse strings.

Mr. HELMS. Mr. President, I can assure the distinguished majority leader that consideration of this will be rapid, and I think I can predict the outcome of the Foreign Relations Committee's action on it.

It is an interesting thing about Mr. Boutros Boutros-Ghali. Dot Helms and I had dinner with the Secretary General, and his wife some weeks back, and

he discussed with me a number of problems he was having with the United Nations, including financial problems. But he certainly did not mention anything about giving the U.N. authority to impose taxes upon the American people. I think that maybe the Secretary General has overspoken himself in asserting his belief that the United Nations should be allowed to collect taxes directly from American citizens.

I was astonished, Mr. President, when in an interview with the BBC, U.N. Secretary General Boutros Boutros-Ghali made the absurd suggestion that the United Nations should be allowed to collect taxes directly from American citizens—and citizens of other sovereign nations—to finance the operation of the United Nations. His stated reason for creating such a U.N. tax, Mr. Boutros-Ghali said, would be so that the U.N. ''would not be under the daily financial will of member states.''

In the first place, the gentleman obviously has scant knowledge of the Constitution of the United States. I have heard a lot of disturbing suggestions coming out of the United Nations over the years, but this one—with all respect to the Secretary General—is among the most unacceptable yet. The United Nations will never be able to tax the American citizens, certainly not as long as Senator DOLE is in the Senate or elsewhere in the Government, nor as long as I am here. And I am happy to join Senator DOLE in offering this legislation today, S. 1519, bearing the title of the Prohibition of United Nations Taxation Act, requiring the United States to cut off all funding to the United Nations if the United Nations does intend or attempt to impose such a scheme.

Despite what the U.N. Secretary General and the international bureaucrats may want to believe, the United Nations is not a sovereign entity. It is not a world government, and the Secretary General is not president of the world. No Secretary General in the future should entertain or even express such foolish notions. The United Nations is purely a consultative body, made up of sovereign nations, who did not check their sovereignty at the U.N. door when they sent representatives to the functions and deliberations of the United Nations.

Furthermore, the American people absolutely would not stand for any form of U.N. taxation; they are already paying more than 24 percent of their income to the U.S. Federal Government. They do not need nor will they accept paying another dime to fund a world government in New York led by a nonelected bureaucrat.

The Secretary General has several times advocated a standing U.N. military. His idle sugestion giving the United Nations the power of direct taxation is a matter that invites a worldwide rejection and distrust of the United Nations.

Mr. President, I again assure the majority leader that I will schedule hearings by the Senate Foreign Relations Committee for the purpose of investigating this matter, and to make clear that the United States must oppose any and all efforts to give the United Nations such unprecedented powers. And, Mr. President, if the Secretary General somehow succeeds securing either the powers of direct taxation, or a standing military, then the United States must withdraw immediately from the United Nations.

I yield the floor.

ADDITIONAL COSPONSORS

S. 607

At the request of Mr. WARNER, the names of the Senator from California [Mrs. BOXER] and the Senator from Utah [Mr. BENNETT] were added as cosponsors of S. 607, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of certain recycling transactions, and for other purposes.

S. 837

At the request of Mr. WARNER, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Vermont [Mr. LEAHY], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 837, a bill to require the Secreatry of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 881

At the request of Mr. PRYOR, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 978

At the request of Mrs. HUTCHISON, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1146

At the request of Mr. LEAHY, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 1146, a bill to amend the Internal Revenue Code of 1986 to clarify the excise tax treatment of draft cider.

S. 1183

At the request of Mr. HATFIELD, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 1183, a bill to amend the Act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the Act, and for other purposes.

S. 1392

At the request of Mr. BAUCUS, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 1392, a bill to impose temporarily a 25 percent duty on imports of certain Canadian wood and lumber products, to require the administering authority to initiate an investigation under title VII of the Tariff Act of 1930 with respect to such products, and for other purposes.

SENATE CONCURRENT RESOLUTION 39—PROVIDING FOR THE STATE OF THE UNION ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. DOLE submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 39

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, January 23, 1996, at 9 p.m., for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

SENATE RESOLUTION 209—TO PROVIDE FOR THE APPROVAL OF INTERIM REGULATIONS

Mr. DOLE submitted the following resolution; which was considered and agreed to:

S. RES. 209

Resolved,

SECTION 1. APPROVAL OF INTERIM REGULATIONS.

(a) IN GENERAL.—The interim regulations applicable to the Senate and the employees of the Senate that were adopted by the Board of the Office of Compliance before January 23, 1996, are hereby approved until such time as final regulations applicable to the Senate and the employees of the Senate are approved in accordance with section 304(c) of the Congressional Accountability Act of 1995 (2 U.S.C. 1384(c)).

(b) CONSTRUCTION.—Nothing in subsection (a) shall be construed to affect the authority of the Senate under such section 304(c).

NOTICES OF HEARINGS

SUBCOMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. STEVENS. Mr. President, I would like to announce that the Senate Subcommittee on Post Office and Civil Service, of the Committee on Governmental Affairs, and the House Subcommittee on Postal Service, Committee on Government Reform and Oversight, will hold a hearing on January 25, 1996, on USPS Reform—The International Experience.

The hearing is scheduled for 9:30 a.m. in room 342 of the Dirksen Senate Office Building. For further information, please contact Pat Raymond, Senate Staff Director, at 224–2254, or Dan Blair, House Staff Director, at 225–3741.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management to receive testimony on the oversight of the management of the national forests.

The hearing will take place Thursday, January 25, 1996, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC. 20510. For further information, please call Mark Rey at (202) 224–6170.

ADDITIONAL STATEMENTS

THE JONES ACT SHOULD NOT BE REPEALED

• Mrs. MURRAY. Mr. President, there are proposals afoot—generated by foreign-flag shipping interests and foreign corporations—to repeal the Jones Act. This 1920 Act, named for Senator Wesley Jones of my State, mandates the use of U.S.-built, U.S.-crewed, U.S.-flagged vessels for voyages between two U.S. ports and on our Nation's inland waterways. Similar laws have been on the books since the 1790's, and nearly 50 nations have similar requirements for shipping in their own domestic commerce.

This law should not be repealed.

Mr. President, the domestic waterborne trades of the United States contribute more than $15 billion to the American economy, including more than $4 billion in direct wages to U.S. citizens. The economic impact of that income is multiplied by the thousands of additional jobs in cabotage-related businesses, the Jones Act employers and employees pay $1.4 billion in State and Federal taxes.

The Jones Act is critical to the State of Washington and other coastal and inland waterways' States, and indirectly, it generates American jobs, tax revenues, and economic activity, in all 50 States.

Unlike our international waterborne trades which are also the shipping lanes of our trading partners, the Jones Act trades are strictly a family trade—the commodities and the vessels move exclusively between American ports. So our trading partners have no reciprocal economic interest at stake in these trades. Indeed, our trading partners understandably have no interest in furthering the national interest objectives which the Jones Act is intended to enhance—jobs for Americans and a fourth arm of defense in times of national emergency.

It seems to me that it makes no more sense to invite foreign shipping interests into our domestic trades, than it does to invite a stranger to intervene in a family matter. In either case, there is no necessity for doing so, and the results can be disastrous.

Nevertheless, Mr. President, that is precisely what those who advocate repeal of the Jones Act would do, have outsiders intrude in the family's business.

The needless risk of permitting this was recently detailed by Stanley H. Barer in his remarks before the American Association of Port Authorities.

Mr. Barer is cochairman and CEO of Totem Resources Corp., a Jones Act operator which is headquartered in Seattle, WA, and which runs high-speed, roll-on, roll-off liner vessels between the lower 48 contiguous States and Alaska. At one time, he was also the Merchant Marine Counsel to the Senate Committee on Commerce, Science, and Transportation. So his considerable knowledge and expertise have been acquired in the real world of ocean shipping and regulation. What Mr. Barer had to say to the AAPA is, in my view, very instructive and illuminating because it offers a realistic view of the worth and importance of the Jones Act to our economy and national security.

Mr. President, I ask that Mr. Barer's remarks be inserted in the RECORD.

REMARKS OF STANLEY H. BARER

Thank you very much. It is a pleasure to be here at this convention. I hope I can set the record straight for you about the U.S. merchant marine and, in particular, the Jones Act.

The Jones Act requires that America's domestic waterborne trade must be reserved for carriers owned by Americans, aboard vessels that fly the U.S. flag and were built in this country, and that are crewed by American citizens. Reserving U.S. water transport for American companies and crews is what our cabotage system is all about. And it's a pretty easy idea to understand.

With its extraordinary land mass and diversity, the United States is in substantial part bound together as one nation because of our ability to travel from place to place, thus assuring that all parts and all people of our nation have access to the goods and services that give us the highest standard of living in the world. We would be quite foolish, with a nation of our size, diversity and transportation requirements, to turn our domestic transportation over to the mercy of foreign carriers. Let us never forget that when you talk about the Jones Act, you are talking about transportation services that take place within the United States involving only the movement of goods or people from one part of the country to another.

This national policy of self-sufficiency in domestic transportation is also reflected in rail, trucking and aviation. It has been a consistent policy of our nation and nearly every other advanced nation on the face of this earth. And, when you think about it, it is not unusual to have such a transportation policy. Under our immigration laws, work in virtually every industry of our country is reserved for our own citizens. It is the rule, not the exception, that nations reserve the job opportunities inside their own borders to their own citizens, so long as their own citizens have the capacity to do the work.

Thanks to this policy, today the U.S. has a Jones Act fleet of over 44,000 vessels, which provides direct employment for 124,000 American workers. And those workers earn more than $3.3 billion in wages a year.

Opponents of the Jones Act point out that U.S. labor costs on our ships, tugboats, barges and shipyards run two to three times the so-called "world labor rate." This is true. Of course, you could make the same statement about virtually any industry in this country. And, in fact, the merchant seafarers of Sweden, Denmark, Norway, Holland and Japan all earn higher net wages than their American counterparts. Jones Act opponents say that, by bringing foreign ships and foreign crews into our coastal and intercoastal trades we can lower wage operating costs by up to 50 percent.

Let's look at those world wage rates. Under the International Transport Federation standard, the average wage for the captain of a tanker or large container ship is $12 an hour, and the other officers are just slightly above the U.S. minimum wage of $5.25 an hour. The entire rest of a ship's crew under the ITF guidelines would be paid less than the U.S. minimum wage. And the ITF requires no payments for health, pension or other benefits. Ultimately, I believe, the issue is not whether Jones Act maritime workers carrying our domestic cargo make more than the "world standard," the real issue is whether those workers are being paid a fair American wage, with respect to the other transportation modes.

Each of our domestic transportation modes—water, rail, trucking and air cargo—employs Americans at American wage levels and none of them faces domestic competition from foreigners. For example, a tanker captain earns about $80,000 a year, which is $30,000 less than a pilot flying a domestic cargo plane. A tugboat captain might earn $50,000, about the same as a railroad engineer. A deck hand on a Jones Act ship makes about the same pay as a domestic flight attendant, about 25,000 to 30,000 a year. Compare that to a long-distance, line-haul truck driver, who might make as much as $75,000 a year.

And it is also important to keep in mind the hours worked by our merchant mariners. While the air cargo pilot averages 83 hours in flight time, or about 20 hours a week, a tanker or tugboat captain works at least 12 hours a day and is on duty 24 hours a day on the vessel. This goes on seven days a week, sometimes for weeks and sometimes for months. Our captains on our big roll-on, roll-off liner vessels to Alaska are on their vessels 24 hours a day, seven days a week for months at a time. They are away from their families, and their work is dangerous.

Now, Jones Act opponents are arguing for getting rid of our domestic maritime workers and bringing in foreign ships with foreign crews. Let's think about what would happen if that came true.

I assume that the truckers who compete directly against water carriers would come storming to Congress and say: "You have upset the competitive balance between water, rail, truck and air cargo. We can't compete against the water carriers with our high-priced U.S. truck drivers." Truckers will say, to keep the balance fair we need to bring in foreign, below-minimum-wage truck drivers. And they would have a good argument—what would Congress say? And if you let the water carriers and truckers use foreign labor, the railroads and then the air cargo carriers are going to demand the same ability.

At this point, we have thrown hundreds of thousands of Americans out of work. What would happen next? I have an idea.

Companies outside domestic transportation, companies that compete on a daily basis in the global economy, will demand the right to fire Americans and bring in low-cost, below-U.S.-minimum-wage foreign workers. After all, if we are going to do this for domestic transportation, which is currently immune from foreign competition,

why shouldn't we do this for those American companies who face foreign competition for their products and services every day in the marketplace?

I want to point out a few more things about what Jones Act opponents are proposing.

Their draft legislation assumes that the foreign workers brought into our maritime coastal trades will pay no federal or state income taxes, nor will the owners of those vessels under foreign flag pay any U.S. taxes. And that would be the case.

As I read the proposal, these companies under foreign flag and their crew members are not only exempt from U.S. taxes and U.S. minimum wage laws, but also the National Labor Relations Act, federal hours-of-service regulations, child labor laws, Coast Guard safety regulations, the U.S. civil rights laws, our national laws relating to health insurance, pensions and other benefits, and all other state and federal legal requirements.

Jones Act opponents say these foreign vessels and crew members should meet ''international standards.'' Does that mean that the navigation and safety crew members must be able to speak English, so they can communicate with environmental and rescue workers, or Coast Guard authorities? I guess not.

And nothing in the proposal talks about how our nation would deal with all those Americans left unemployed by the repeal of the Jones Act, or how we would compensate American vessel owners whose investment in modern, U.S.-built ships would be destroyed.

Let me tell you a little about my own situation. I am management. I am an owner. I risked capital to be in this business. I have negotiated with labor unions. My company has more than 2,000 employees whose fathers and grandfathers and uncles have all worked for our tug and barge company over the 106 years it has been in business.

We don't want to fire these people. Who wants us to do this? Is this what America is about?

If we can do this in the transportation sector, I guess we can do it anywhere—manufacturing, communications, health care, education, and I guess we could even fire all of our government workers and bring in low-cost people to work in government and man our armed forces. I submit this is not a sound idea.

I was very curious as to who was financing these people who are calling for repeal of the Jones Act, and who was supporting them. I was pleased that not one of our customers in Alaska or the West Coast was among their supporters. But I did find that over 90 percent of those supporting him were trade associations representing wheat or grain producers. I would just like to note that, while Jones Act carriers receive not a dollar in federal subsidies or handouts, $5.5 billion in federal subsidies goes to wheat and feed-grain farmers each year. I am not here to argue against the farm program but I think it should be recognized that the people who want to get rid of U.S. citizens in domestic transport are the same people who are taking $5.5 billion dollars a year for their own industry from the taxpayers, but they are not advocating that foreign grain companies and foreign grain workers come in and take over their jobs and companies in the United States. All these farm executives and their corporate staffs and trade organizations and employees make good wages. I think that's fine—I am not against that. I am not even against the farm program. But I do have a problem with that industry trying to destroy my industry without first getting their own financial house in order.

So, please, in considering these public policy issues, think about those you represent—the taxpaying American citizens. If you do that, I think you will have no trouble telling the Jones Act Reform Committee that they should go out of business rather that telling my industry that we should go out of business.●

SPARE US THE CHEAP GRACE

● Mr. SIMON. Mr. President, one of the people who has been most effective in prodding our conscience is Jonathan Kozol, author of several books, including an important one on literacy, another on the sad plight of our schools, and more recently, ''Amazing Grace: The Lives of Children and the Conscience of a Nation.''

Unfortunately, as we balance the budget—which we should have done long ago—we are horribly distorting the priorities this Nation should have. The use of the word ''horribly'' may seem out of place, but for many of the poor, our budget will result in horrors.

To say we want to balance the budget, then start with a $245 billion tax cut is like adopting a New Year's resolution to diet, then having a huge dessert.

Compounding that is the fact that the tax cut is largely for those of us who are more fortunate, while those who will suffer will be the neediest in our society.

Time magazine recently had an essay by Jonathan Kozol titled ''Spare Us the Cheap Grace,'' which I ask to be printed in the RECORD after my remarks.

Among other things, Jonathan Kozol says, ''What does it mean when those whom we elect to public office cut back elemental services of life protection for poor children and then show up at the victim's funeral to pay condolence to the relatives and friends? At what point do those of us who have the power to prevent these deaths forfeit the entitlement of mourners?'' The piece follows:

[From Time magazine, Dec. 11, 1995]

SPARE US THE CHEAP GRACE

(By Jonathan Kozol)

It is hard to say what was more shocking about the death of Elisa Izquierdo—the endless savagery inflicted on her body and mind, or the stubborn inaction of the New York City agencies that were repeatedly informed of her peril. But while the murder of Elisa by her mother is appalling, it is hardly unexpected. In the death zones of America's postmodern ghetto, stripped of jobs and human services and sanitation, plagued by AIDS, tuberculosis, pediatric asthma and endemic clinical depression, largely abandoned by American physicians and devoid of the psychiatric services familiar in most middle-class communities, deaths like these are part of a predictable scenario.

After the headlines of recrimination and pretended shock wear off, we go back to our ordinary lives. Before long, we forget the victims' names. They weren't our children or the children of our neighbors. We do not need to mourn them for too long. But do we have the right to mourn at all? What does it mean when those whom we elect to public office cut back elemental services of life protection for poor children and then show up at the victim's funeral to pay condolence to the relatives and friends? At what point do those of us who have the power to prevent these deaths forfeit the entitlement of mourners?

It is not as if we do not know what might have saved some of these children's lives. We know that intervention programs work when well-trained social workers have a lot of time to dedicate to each and every child. We know that crisis hot lines work best when half of their employees do not burn out and quit each year, and that social workers do a better job when records are computerized instead of being piled up, lost and forgotten on the floor of a back room. We know that when a drug-addicted mother asks for help, as many mothers do, it is essential to provide the help she needs without delay, not after a waiting period of six months to a year, as is common in poor urban neighborhoods.

All these remedies are expensive, and we would demand them if our own children's lives were at stake. And yet we don't demand them for poor children. We wring our hands about the tabloid stories. We castigate the mother. We condemn the social worker. We churn out the familiar criticisms of ''bureaucracy'' but do not volunteer to use our cleverness to change it. Then the next time an election comes, we vote against the taxes that might make prevention programs possible, while favoring increased expenditures for prisons to incarcerate the children who survive the worst that we have done to them and grow up to be dangerous adults.

What makes this moral contradiction possible?

Can it be, despite our frequent protestations to the contrary, that our society does not particularly value the essential human worth of certain groups of children? Virtually all the victims we are speaking of are very poor black and Hispanic children. We have been told that our economy no longer has much need for people of their caste and color. Best-selling authors have, in recent years, assured us of their limited intelligence and low degree of ''civilizational development.'' As a woman in Arizona said in regard to immigrant kids from Mexico, ''I didn't breed them. I don't want to feed them''—a sentiment also heard in reference to black children on talk-radio stations in New York and other cities. ''Put them over there,'' a black teenager told me once, speaking of the way he felt that he and other blacks were viewed by our society. ''Pack them tight. Don't think about them. Keep your hands clean. Maybe they'll kill each other off.''

I do not know how many people in our nation would confess such contemplations, which offend the elemental mandates of our cultural beliefs and our religions. No matter how severely some among us may condemn the parents of the poor, it has been an axiom of faith in the U.S. that once a child is born, all condemnations are to be set aside. If we now have chosen to betray this faith, what consequences will this have for our collective spirit, for our soul as a society?

There is an agreeable illusion, evidenced in much of the commentary about Elisa, that those of us who witness the abuse of innocence—so long as we are standing at a certain distance—need not feel complicit in these tragedies. But this is the kind of ethical exemption that Dietrich Bonhoeffer called ''cheap grace.'' Knowledge carries with it certain theological imperatives. The more we know, the harder it becomes to grant ourselves exemption. ''Evil exists,'' a student in the South Bronx told me in the course of a long conversation about ethics and religion in the fall of 1993. ''Somebody has power. Pretending that they don't so they don't need to use it to help people—that is my idea of evil.''

Like most Americans, I do not tend to think of a society that has been good to me and to my parents as ''evil.'' But when he said that ''somebody has power,'' it was difficult to disagree. It is possible that icy equanimity and self-pacifying form of moral abdication by the powerful will take more lives in the long run than any single drug-addicted and disordered parent. Elisa Izquierdo's mother killed only one child. The seemingly anesthetized behavior of the U.S. Congress may kill thousands. Now we are told we must ''get tougher'' with the poor. How much tougher can we get with children who already have so little? How cold is America prepared to be?●

LIFE OF BARBARA JORDAN

● Mrs. BOXER. Mr. President, as the Nation mourns the loss of Barbara Jordan, I would like to take a few moments to celebrate her life.

Barbara Jordan became active in politics around the same time as I did. John Kennedy was running for President and the winds of change were sweeping across a nation and inspiring a young generation of new leaders.

It was different world for women then, one where the doors weren't nearly so open as they are today. And make no mistake about it—the doors are open wider today for women and for minorities because of the path cleared by Barbara Jordan.

Her start in politics was quite humble. She was a self described ''stamper and addresser''—meaning literally that she volunteered on President Kennedy's campaign licking stamps, addressing envelopes, and putting them in the mail. So many women started this way—behind the scenes doing the mundane but essential labor of grassroots politics.

But Barbara Jordan was not underestimated for long. Her most enduring talents—the power of her voice and the strength of her words—were quickly discovered and no one tells that story better than she did herself:

I had a law degree but no practice, so I went down to Harris County Democratic Headquarters [in Texas] and asked them what I could do. They put me to work licking stamps and addressing envelopes. One night we went out to a church to enlist voters and the woman who was supposed to speak didn't show up. I volunteered to speak in her place and right after that they took me off licking and addressing.

They would have been foolish not to.

If Barbara Jordan is remembered for just one thing, it will be the power of her words. Her message united people from vastly different walks of life, bringing them together to stand as one and nod their heads in unison and say, ''Yes, each one of us can make a difference, and together we can make this nation stronger.''

Where her words traveled, legions followed. And our Nation did change for the better as we began to offer opportunity to all our citizens.

Barbara Jordan broke all kinds of barriers throughout her life. If she were an athlete, she would have been a world-class hurdler because she spent her whole life leaping over barriers with grace and dexterity. She broke records.

In Texas in 1966 she became the first Africa-American State senator. She entered that body with outright denunciations from some of her male colleagues, but when she left for Washington, DC, those same men endorsed a resolution commending her.

In 1972, Barbara Jordan and Andrew Young, of Georgia, became the first black southerners in Congress since Reconstruction.

In the U.S. House of Representatives, she quickly rose to prominence as a members of the House Judiciary Committee during Watergate. During the crisis, Barbara Jordan became one of our Constitution's greatest champions.

''My faith in the Constitution is whole,'' she told her colleagues and the American people. ''It is complete. It is total. I am not going to sit here and be an idle spectator to the diminution, the subversion, the destruction of the Constitution.''

Whether it be freedom of speech, freedom of choice or equal opportunity, we in this Congress are also facing fundamental questions about the integrity of our Constitution. It is my hope that our faith in that sacred document is as whole and as complete as Barbara Jordan's.

After she left Congress, Barbara Jordan continued to give this Nation a lifetime of service—teaching young people in preparation for careers in public service. Her chairmanship of the independent U.S. Commission on Immigration Reform, which is referred to as the Jordan Commission, took on the very difficult issue of fair immigration policy.

And just as young Barbara Jordan listened to the words of JFK and was ''bit by the bug'' of politics, so did she go on to inspire another generation of young leaders when she took the podium at the 1992 Democratic Convention. Speaking with an authority and voice that could only be Barbara Jordan's, she issued a new challenge to each and every one of us to reexamine our relationships with each other and what we stand together for as a nation. Above all else, she encouraged us to put our principles into action where help was needed most—in the hearts of our great cities.

She said, ''We need to change the decaying inner cities to places where hope lives. Can we all get along? I say we answer that question with a resounding 'yes'.''

Throughout her life Barbara Jordan was a voice for common ground, for the ties that bind. Hers were powerful, healing, uplifting words that challenged and inspired women and minorities, indeed all Americans, to reach for something higher and to believe in themselves and their own ability to change the world and make it a better place.

Her life was a testament to that idea.

A nation mourns a great loss, but it is my hope that the spirit of Barbara Jordan will live on forever in the many Americans who have been touched deeply by her powerful words and exemplary life. I certainly have been.●

ANNIVERSARY OF ROE VERSUS WADE

● Mrs. MURRAY. Mr. President, today marks the 23d anniversary of the monumental Supreme Court decision, Roe versus Wade, which legalized abortion nationwide and affirmed the right of all American women to choose safe, legal abortion services. I join Americans across the country in commemorating this important day in our history.

Yet this is a bittersweet celebration. We are still fighting to safeguard our rights, and battles are being waged on many fronts. Each year, antichoice forces in Congress use the appropriations process to erode women's abortion rights every chance they get. In 1995, they were successful in denying Federal workers abortion coverage in their health benefit packages. They will try again this year for more victories.

On this special anniversary, we must remember those who have suffered and lost their lives because of their commitment to protecting the health of women in our country. Increasingly, the radical minority in the anti-abortion crusade has turned to violence to pursue their agenda, with blatant disregard for who is caught in their crossfire. Over the last several years, I, like so many Americans, have been greatly disturbed by images of clinics under siege by vandals and arsonists, and horrified by reports of doctors murdered because they perform abortions—a legal procedure. We cannot let our reproductive rights be taken away because of a threat of violence, nor can we allow the actions of radical fanatics to dictate our Nation's public policy decisions. Just as our clinics are under attack, so too are our personal freedoms.

Emboldened by their momentum, Mr. President, antiabortion forces in both Houses of Congress passed H.R. 1833, the so-called Partial Birth Abortion Ban Act of 1995. By their own admission, this is the first step in the antichoice movement's strategy to deny women their right to choose — one procedure at a time. This legislation is an affront to the women of this country, and an unprecedented intrusion into the autonomy of medical professionals to determine the best methods of care for their patients. I am reminded today of the frustration I felt during debate of this bill, of the misinformation and divisive rhetoric infused in the conversation.

The antichoice majorities in Congress may have forgotten that most Americans feel abortion should be legal. They may also have forgotten about the days of back-alley abortions and women dying of infection from unsanitary procedures. Well, I haven't

forgotten and I will do whatever I can to ensure the days of the back-alley abortion, a virtual death sentence for women, remain a tragic thing of the past. Let today remind us that, for now at least, the law is on our side.

I urge President Clinton to join us today in commemorating this landmark anniversary. And I respectfully request that he deliver on his promise to veto H.R. 1833. The women of this country are counting on him to do what is right. I know he will not let us down.●

CHINA'S CHALLENGE TO WASHINGTON

● Mr. SIMON. Mr. President, the New York Times had an excellent editorial titled ''China's Challenge to Washington.''

There is a reluctance to be forceful with China on the issue of human rights.

When I say ''forceful,'' I do not mean the use of force, but the willingness to stand forthright for what this country should stand for.

We turn a cold shoulder to our friends in Taiwan, where they have a multiparty system, and seem to quake every time China is unhappy with something someone says or does.

As the editorial suggests, we should ''respond far more sharply to Wei Jingsheng's sentence.''

I am pleased to back this administration when they are right, as in Bosnia, but I also believe that we should be much stronger in setting forth our beliefs as far as the abuses in China. I ask that the editorial from the New York Times be printed in the RECORD after my remarks.

Along the same line, Stefan Halper, host of NETE television's ''Worldwise'' and a former White House and State Department official, recently had an op-ed piece in the Washington Times titled ''Taiwan's Unheralded Political Evolution,'' which I ask to be printed in the RECORD following my remarks and after the New York Times editorial.

The reality is democracy has grown and is thriving in Taiwan, and we should recognize that in our policies.

The material follows:

CHINA'S CHALLENGE TO WASHINGTON

If the United States intends to develop a relationship of mutual respect with China, it must defend its interests as vigorously as Beijing does. Now is the time, for China has shown a dangerous new bellicosity in matters from human rights to military threats.

Last week Beijing again showed its contempt for the rights of Chinese citizens by convicting Wei Jingsheng of sedition and sentencing him to 14 years in prison. The activities the court cited included organizing art exhibitions to benefit democracy and writing articles that advocated Tibet's independence. This heavy-handed muzzling of the country's leading dissenter is a measure of the Chinese belief that America and other Western countries will not make them pay a diplomatic or economic price for the abuse of human rights.

Chinese behavior has been equally provocative in other fields. In recent months Beijing has bullied the Philippines over contested islands in the South China Sea, twice conducted missile tests in the waters off Taiwan, resumed irresponsible weapons transfers and imposed its own choice as the reincarnated Panchen Lama, the second most important religious figure in Tibet. Meanwhile, as The Times's Patrick Tyler reports, influential military commanders have begun pushing for military action against Taiwan and turned to confrontational rhetoric against the United States.

Washington has minimized these provocations, setting them in the larger perspective of China's encouraging economic reforms and Washington's hopes for political liberalization. That was the same logic that led the Administration, early last year, to abandon its efforts to link trade privileges for China to Beijing's record on human rights, arguing that anything that helped China's booming economy would ultimately advance political freedom as well.

It is working out that way. The 19 months since that policy change have been marked by a serious deterioration in China's responsiveness on human rights and other issues. Discouragingly, this seems to be happening not simply because a new generation of leaders is maneuvering to succeed the failing Deng Xiaoping. Nationalist military officers are steadily gaining political influence, and the two top civilian leaders, President Jiang Zimen and Prime Minister Li Peng, seem committed advocates of political repression. That suggests the newly belligerent policies may not be just a transitional phase, or a sign or insecurity in the leadership group, as some China scholars in the West have said.

The Clinton Administration, having done all it reasonably could to smooth relations, including an October meeting between Presidents Clinton and Jiang, now needs to recognize that a less indulgent policy is required to encourage more responsible behavior by China. The first step is to respond far more sharply to Wei Jingsheng's sentence, beginning with a concerted diplomatic drive to condemn China before the United Nations Human Rights Commission next March. U.N. condemnation would be an international embarrassment for China, one it desperately wants to avoid.

Another step is to oppose non-humanitarian World Bank loans to China, as already provided for under United States law. Some Administration officials also want to consider human rights issues in judging China's application to join the new World Trade Organization, even though that is likely to bring objections from other W.T.O. members.

The Administration still refuses to reconsider the simpler, more obvious step of restoring a link between trade and human rights. In this critically important diplomatic game, the United States may no longer be able to deny itself the leverage that link could bring.

[From the Washington Times, Dec. 13, 1995]

TAIWAN'S UNHERALDED POLITICAL EVOLUTION

(By Stefan Halper)

In an era that believes America's future lies in Asia, what is the Asian democratic model? Singapore and Malaysia are single party states refreshed a bit by economic freedom. Hong Kong, still a colony, has lately been given a measure of self-government—which Americans of 1770 would have scorned—only to be swallowed whole by the not-so-democratic People's Republic of China in little more than 18 months. South Korea? It's dominated by a government party whose last president is now up on charges of stealing $600 million—give or take a couple of hundred million.

Japan, for 38 years, has been run by a corrupt single party (the LDP) only to cede power to a collection of reformers who themselves squandered the chance for real change. Today the LDP is back in a cynical misalliance with its nemesis, the socialists, whom it hopes to shortly expel.

When does that leave us? With the Burmese, or the Indonesian generals, or perhaps Thailand, where politicians are so corrupt they stay out of jail?

Reading the Mainland press, Taiwan's recent peaceful, multiparty elections never happened. No mention—the dog that didn't bark. A decade ago, the phrase ''Taiwanese democracy'' would have been rightly dismissed as an oxymoron, though compared to Mao's mainland, the island republic was widely seen as an economic miracle.

Ironically, it is this economic strength today—$100 billion in hard currency reserves and America's ninth-largest trading partner—that has obscured Taiwan's political evolution. The late Generalissimo Chiang Kai-shek's Kuomingtang single-party rule, was replaced by his son and successor Chiang Ching-kuo, who created a supportive environment for democratic pluralism before he died in 1988. Martial law was lifted, opposition parties were legalized, press restrictions were eliminated and it was agreed that Chiang's successor would not be a member of the family or even a transplanted mainlander. Instead President Lee Teng-hui is a native Taiwanese so far determined to further reform by supporting younger, Taiwan-born politicians as leaders of the KMT.

In the last eight years, three legislative elections have been held, each time with slowly shrinking KMT majorities. The old National Assembly dominated by KMT geriatrics has been mercifully stripped of its powers. Direct presidential elections will be held for the first time in Chinese history next March.

Literally nowhere in Asia, except Taiwan, has a ruling party allowed itself to be eclipsed. Nowhere has the attack on political corruption been so singleminded as it is in Taiwan. Vote fraud, unlike Thailand and Korea, has been almost eliminated. Vote buying in the recent Dec. 2 poll has been reduced to rural areas and to a level that would boggle the minds of most Japanese and Thai voters.

At present, the KMT holds a six-seat majority in the legislature. Sessions will continue to be raucous, often undignified—not unlike the 19th century U.S. Congress or for that matter Congress today, recall the Moran-Hunter fight a few weeks ago—but so what? The opposition has strengthened as the exhausted Nationalists confront the reality of an increasingly pluralist Taiwan.

Though Democratic politics is often a matter of shades of ugly, the alternatives in Asia—both left and right—are vastly less attractive. Why the, despite Taiwan's effort, has it's progress been ignored? Are American interests served by recognizing and nurturing democratic growth—or has some blend of security and mercantile priorities cast our lot with the Mainland? The Clinton administration, still struggling with this Wilson-Rossevelt policy cleavage, has said nothing on the subject, even while embarrassing itself before and after Lee Teng-hui's summer address at Cornell, his alma mater.

Yet in the hall of mirrors that passes for Taiwan's politics, the Nationalist Party-KMT reflects its belief in ''One China'' while the opposition New Party, with 13.5 percent of the vote, is even more forceful on the subject. And as for the Democratic Progressive Party (DPP), it is split on the issue with the majority having muted the call for independence. Maybe the mean Chinese uncle in

Beijing, implacably opposed to the island-nation's existence, succeeded with this muscular diplomacy—missile tests, mock landings and war games. After all, the stock market dipped and successionist politicians had limited resonance during the election.

So why are the mandarins in Beijing worried? Perhaps it is because on the heels of Hong Kong's democratic election that saw the defeat of pro-Mainland candidates, Taiwan has emerged as the Asian democratic model; and the first successful, full-blown democracy in five millennia of Chinese history, underscores the difficulty of reunion with China. Or perhaps the mandarins in the Forbidden City realize that their options have narrowed; that the use of force against Taiwan would be a disaster for U.S.-China relations and U.S. credibility and, most of all, would tear the web of Asian security and economic relationships that have sustained China's and the region's growth. We shall see.●

SOUTHERN UNIVERSITY NATIONAL FOOTBALL CHAMPIONSHIP

● Mr. BREAUX. Mr. President, I would like to take this opportunity to congratulate Southern University of Baton Rouge, LA, for winning this year's historically black college national football championship. With their victory in the Heritage Bowl on December 29, 1995, the Jaguars of Southern University won their sixth national football title and their first since 1960.

The Jaguars, who finished the season with an 11–0 record, captured the national title in a 30 to 25 victory over Florida A&M in the Georgia Dome in Atlanta.

I would like to especially congratulate Coach Pete Richardson, his staff, and an outstanding group of players for all the hard work and effort they put into making this a championship season. Your undefeated record and national title are bright examples of the rewards of teamwork and determination. Thank you for bringing another national championship to Baton Rouge and for making Louisiana proud.●

THE STATE OF PUERTO RICO

● Mr. SIMON. Mr. President, Senator Charles A. Rodriguez, the majority leader of the Puerto Rico Senate, recently had an op ed piece in the Washington Post that speaks with candor about our fellow Americans from Puerto Rico. We should be paying attention to his words, which I ask to be printed in the RECORD.

The reality is that commonwealth status—supported strongly by powerful American corporations who benefit from it financially—is simply another form of old-fashioned colonialism.

Puerto Ricans should have the rights that Americans have in our 50 States.

Eventually, Puerto Rico will either go independent or become a State. From the viewpoint of our 50 States and from the viewpoint of the people of Puerto Rico, statehood makes much more sense.

But that is a decision they have to make.

The special financial breaks that certain corporations get should not be a barrier to an improved life for the citizens of Puerto Rico, and that is the reality today.

The op-ed follows:

[From the Washington Post]

THE STATE OF PUERTO RICO

(By Charles A. Rodriguez)

Two years ago, when Puerto Rico voted to remain a U.S. commonwealth—again rejecting statehood—many thought the issue was settled for years to come. In fact, the plebiscite raised more questions than it resolved.

The vote exposed the undue influence of discredited economic arrangements on the island's political process and the myth of commonwealth autonomy, both cornerstones of our second-class U.S. citizenship. Today proponents of the status quo are on the defensive in both Puerto Rico and in Washington.

The plebiscite was held as the Clinton administration sought repeal of Section 936 of the federal tax code, which exempts U.S. companies' Puerto Rican operations from federal taxation—a subsidy that has cost the Treasury nearly $70 billion since 1973.

Faced with immediate loss of their lucrative tax break or eventual termination if islanders voted for statehood, companies spent millions of dollars fending off Congress while cajoling workers to vote against statehood or else face job losses and plant relocations.

Meanwhile, status quo proponents campaigned for ''enhanced commonwealth,'' replete with promises of expanded political autonomy and parity with the 50 states in the financing of federal programs—all this while preserving the immunity of Puerto Rico's 3.7 million U.S. citizens from federal taxation.

Despite the cacophony of economic demagoguery and ''something for nothing'' hyperbole, commonwealth failed for the first time in 40 years to get an outright majority. It won with a plurality of 48.6 percent, against 46.3 percent for statehood and 5.1 percent for independence. Compare this narrow margin of victory with that of 1952 (68 percent) and that of 1967 (21 percent), and the tide against the status quo becomes unmistakable. The false promise behind the alternative of ''enhanced commonwealth'' will do nothing to stem it. For given its current budget-cutting exercises, Congress is clearly in no mood to maintain even current levels of federal funding for Puerto Rico programs, much less ante up the additional $3 billion to $4 billion necessary to bring them up to par with the states.

Meanwhile, a groundswell of public opinion has arisen in Washington against preserving ''corporate welfare.'' That's why Section 936 is again under review, as it should be: It has made the island dependent on the whims of Congress and has stifled alternative economic development schemes.

Worse, as now constituted, 936 has failed to generate the jobs and capital investment that were its reasons for being. Witness our chronic unemployment rate, which is twice the mainland's, and our per capita income, half of Mississippi's.

Revision of 936 could present Puerto Rico with opportunities to attain significant new economic and political objectives; full participation and parity in all federal programs, sustained economic growth and, eventually, statehood.

Rep. Don Young (R–Alaska), chairman of the House Resources Committee, has floated one promising proposal toward these ends. In exchange for ending 936 he would phase in full state-like programs for Puerto Rico and encourage private-sector growth through capital grants for infrastructure development and through private and nonprofit enterprise financing to spur new industries.

Young's proposal would also, for the first time, subject island residents to federal taxation. Combined with the $3 billion savings from ending the 936 tax credit, this would mean that the U.S. Treasury would see no diminution in revenues.

Many statehood advocates balk at this ''halfway'' solution to securing first-class citizenship for Puerto Ricans. They maintain that economic equality would weaken efforts to achieve political equality through a 51st star. In other words, total economic and political equality or nothing.

Other point to the absurdity of Puerto Ricans agreeing to pay more taxes while everyone else is looking to reduce theirs. But the fact is that we already have high tax rates in Puerto Rico. They're necessary to finance activities typically provided elsewhere by the federal government. It's safe to assume that as program costs are shifted to Washington, Puerto Ricans will see little change in their tax burden.

Nonetheless, revision of 936 might accelerate the movement to statehood: No longer would 936 companies have a vested interest in maintaining the status quo.

Given today's economic and political climate, Puerto Rico may face the same hard choice under option: cut programs or raise taxes. But as a colony deprived of Washington representation we will have no say in the discussions leading up to that fateful decision.

It's no wonder that 2.5 million Puerto Ricans have left the island for the mainland knowing that the political and economic benefits of statehood far outweigh the burdens of federal taxation. We share their ambition to be full-fledged Americans here at home, just as we always have shared with all U.S. citizens the duty to defend democracy abroad.●

PROVIDING FOR PROVISIONAL APPROVAL OF OFFICE OF COMPLIANCE REGULATIONS

Mr. DOLE. Mr. President, I ask unanimous consent the Rules Committee be discharged from further consideration of House Concurrent Resolution 123 and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 123) to provide for the provisional approval of regulations applicable to certain covered employing offices and covered employees and to be issued by the Office of Compliance before January 23rd, 1996.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DOLE. I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, and any statements related to the concurrent resolution be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 123) was agreed to.

PROVIDING FOR APPROVAL OF INTERIM REGULATIONS ADOPTED BY THE BOARD OF THE OFFICE OF COMPLIANCE

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 209 submitted earlier today by the Senator from Kansas.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 209) to provide for the approval of interim resolutions applicable to the Senate and the employees of the Senate and adopted by the Board of the Office of Compliance before January 23, 1996, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 209) was agreed to, as follows:

S. RES. 209

Resolved,

SECTION 1. APPROVAL OF INTERIM REGULATIONS.

(a) IN GENERAL.—The interim regulations applicable to the Senate and the employees of the Senate that were adopted by the Board of the Office of Compliance before January 23, 1996, are hereby approved until such time as final regulations applicable to the Senate and the employees of the Senate are approved in accordance with section 304(c) of the Congressional Accountability Act of 1995 (2 U.S.C. 1384(c)).

(b) CONSTRUCTION.—Nothing in subsection (a) shall be construed to affect the authority of the Senate under such section 304(c).

JOINT SESSION OF THE TWO HOUSES TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. DOLE. Mr. President, I ask unanimous consent that the President of the Senate be authorized to appoint a committee on the part of the Senate and join with a like committee on the part of the House of Representatives to escort the President of the United States into the House Chamber for the joint session to be held at 9 p.m. Tuesday, January 23, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY, JANUARY 23, 1996

Mr. DOLE. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 2:30 p.m. on Tuesday, January 23, 1996; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business until the hour of 3:30 p.m, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 8:40 p.m, on Tuesday, at which time the Senate will proceed as a body to the Hall of the House of Representatives to hear an address by the President regarding the state of the Union.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. During tomorrow's session, the Senate may turn to any legislative items that can be cleared by unanimous consent. Rollcall votes are not expected during Tuesday's session. However, if a vote is necessary, all Members will be given ample notification. As a reminder, all Senators should gather in the Senate Chamber at 8:35 p.m. Tuesday evening, in order for the Senate to proceed as a body to the Hall of the House of Representatives for the State of the Union Address.

I indicate, as I did this morning, it is still our hope to make a continuing resolution before the close of business on Friday, maybe Thursday, maybe even Wednesday depending on when it is passed by the House. It is also our hope we can pass the continuing resolution by consent, and that in the event the Defense Department authorization bill comes to us from the House, we may proceed to that, which if it requires a rollcall vote, then we will not vote on it until we have given all our colleagues ample notice.

There is also some indication that the administration may want us to proceed on the extension of the debt limit, debt ceiling, and that may or may not come before the Senate this week.

RECESS UNTIL 2:30 P.M. TOMORROW

Mr. DOLE. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 4:55 p.m., recessed until Tuesday, January 23, 1996, at 2:30 p.m.

NOMINATIONS

Executive nominations received by the Senate January 22, 1996:

DEPARTMENT OF STATE

RICHARD L. MORNINGSTAR, OF MASSACHUSETTS, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL ADVISOR TO THE PRESIDENT AND TO THE SECRETARY OF STATE ON ASSISTANCE TO THE NEW INDEPENDENT STATES (NIS) OF THE FORMER SOVIET UNION AND COORDINATOR OF NIS ASSISTANCE.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

MARY BURRUS BABSON, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 1 YEAR. (NEW POSITION)

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

LUIS VALDEZ, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2000, VICE PETER DECOURCH HERO, TERM EXPIRED.

IN THE COAST GUARD

VICE ADMIRAL JAMES M. LOY, U.S. COAST GUARD, TO BE CHIEF OF STAFF, U.S. COAST GUARD, WITH THE GRADE OF VICE ADMIRAL WHILE SO SERVING.

VICE ADMIRAL RICHARD D. HERR, U.S. COAST GUARD, TO BE VICE COMMANDANT, U.S. COAST GUARD, WITH THE GRADE OF ADMIRAL WHILE SO SERVING.

VICE ADMIRAL KENT H. WILLIAMS, U.S. COAST GUARD, TO BE COMMANDER, ATLANTIC AREA, U.S. COAST GUARD, WITH THE GRADE OF ADMIRAL WHILE SO SERVING.

REAR ADMIRAL ROGER T. RUFE, JR., U.S. COAST GUARD, TO BE COMMANDER, PACIFIC AREA, U.S. COAST GUARD, WITH THE GRADE OF VICE ADMIRAL WHILE SO SERVING.

THE FOLLOWING OFFICER OF THE U.S. COAST GUARD RESERVE FOR PROMOTION TO THE GRADE OF REAR ADMIRAL:

RICHARD W. SCHNEIDER

THE FOLLOWING OFFICER OF THE U.S. COAST GUARD RESERVE FOR PROMOTION TO THE GRADE OF REAR ADMIRAL (LOWER HALF):

JAN T. RIKER

THE FOLLOWING OFFICER OF THE U.S. COAST GUARD RESERVE FOR PROMOTION TO THE GRADE INDICATED:

To be captain

GEORGE J. SANTA CRUZ
GREGORY E. SHAPLEY

To be commander

JAMES E. LITSINGER
DALE M. RAUSCH
MAURY A. WEEKS
DONALD E. BUNN

To be lieutenant commander

PINKEY J. CLARK
KEVIN M. PRATT

IN THE MARINE CORPS

THE FOLLOWING-NAMED COLONELS OF THE U.S. MARINE CORPS FOR PROMOTION TO THE GRADE OF BRIGADIER GENERAL, UNDER THE PROVISIONS OF SECTION 624 OF TITLE 10, UNITED STATES CODE:

To be brigadier general

COL. ROBERT R. BLACKMAN, JR., 000–00–0000, USMC.
COL. WILLIAM G. BOWDON III, 000–00–0000, USMC.
COL. JAMES T. CONWAY, 000–00–0000, USMC.
COL. KEITH T. HOLCOMB, 000–00–0000, USMC.
COL. HAROLD MASHBURN, JR., 000–00–0000, USMC.
COL. GREGORY S. NEWBOLD, 000–00–0000, USMC.

THE FOLLOWING-NAMED COLONEL OF THE U.S. MARINE CORP RESERVE FOR PROMOTION TO THE GRADE OF BRIGADIER GENERAL, UNDER THE PROVISIONS OF SECTION 5912 OF TITLE 10, UNITED STATES CODE:

To be brigadier general

COL. LEO V. WILLIAMS III, 000–00–0000, USMCR.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, U.S.C.

To be vice admiral

VICE ADM. DAVID B. ROBINSON, 000–00–0000.

IN THE AIR FORCE

THE FOLLOWING-NAMED AIR NATIONAL GUARD OFFICERS FOR APPOINTMENT AS RESERVE OF THE AIR FORCE IN THE GRADE INDICATED UNDER THE PROVISIONS OF SECTIONS 12203 AND 12212, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES AS INDICATED.

To be lieutenant colonel

LINE

JONATHAN S. FLAUGHER, 000–00–0000

MEDICAL CORPS

To be lieutenant colonel

WALTER L. BOGART III, 000–00–0000

THE FOLLOWING INDIVIDUALS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 12203 WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8067 TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be colonel

DONALD R. SMITH, 000–00–0000

To be lieutenant colonel

CARLOS W.M. BEDROSSIAN, 000–00–0000

RICHARD R. ECKERT, 000–00–0000
HARRY F. FARMER, JR., 000–00–0000
FREDERICK L. GILKEY, 000–00–0000
MAECENAS B. HENDRIX, 000–00–0000
CHARLES H. HUBBERT, 000–00–0000
BRUCE A. JOHNSON, 000–00–0000
BRUCE M. MORSE, 000–00–0000
SAROJA L. RANPURA, 000–00–0000
CHARLES E. ROSS, 000–00–0000
SADASIVA P. SETTY, 000–00–0000
CHRISTINA M.K. ZIENO, 000–00–0000

DENTAL CORPS

To be lieutenant colonel

ROBERT W. DANIELS, 000–00–0000
GENE P. KAHN, 000–00–0000
RODNEY D. PHOENIX, 000–00–0000

BIOMEDICAL SCIENCES CORPS

To be lieutenant colonel

DON C. BAGWELL, 000–00–0000
THOMAS A. FLYNN, 000–00–0000
GERALD J. HENSLEY, 000–00–0000
KENT J. NEILSEN, 000–00–0000

NURSE CORPS

To be lieutenant colonel

NEDLA J. EWEN, 000–00–0000

JUDGE ADVOCATE

To be lieutenant colonel

JOHN J. THRASHER III, 000–00–0000
WILLIAM K. UNDERWOOD, 000–00–0000

THE FOLLOWING INDIVIDUALS FOR RESERVE OF THE AIR FORCE APPOINTMENT IN THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 12203.

LINE

To be lieutenant colonel

MARTHA L. GARITO, 000–00–0000
CHARLES A.V. HOBB, 000–00–0000
RICHARD C. HOLLOMAN, 000–00–0000
THOMAS A. HUGHES, 000–00–0000
MICHAEL E. LEBIEDZ, 000–00–0000
MARY K. LUKE, 000–00–0000
LANNY B.MC NEELY, 000–00–0000
STEPHEN G. MOFFETT, 000–00–0000
JAMES L. O'NEAL, 000–00–0000

THE FOLLOWING STUDENTS OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES CLASS OF 1996, FOR APPOINTMENT IN THE REGULAR AIR FORCE IN THE GRADE OF CAPTAIN, EFFECTIVE UPON THEIR GRADUATION UNDER THE PROVISIONS OF SECTION 2114, TITLE 10, U.S.C., IF OTHERWISE FOUND QUALIFIED, WITH DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

MEDICAL CORPS

BRADLEY S. ABELS, 000–00–0000
PER K. AMUNDSON, 000–00–0000
JONATHAN W. BRIGGS, 000–00–0000
ALESIA C. CARRIZALES, 000–00–0000
SCOTT C. CARRIZALES, 000–00–0000
MATTHEW B. CARROLL, 000–00–0000
PIERRE ALAIN L. DAUBY, 000–00–0000
KRISTEN A. FULTSGANEY, 000–00–0000
VINOD K. GIDVANIDIAZ, 000–00–0000
STEPHEN A. GILL, 000–00–0000
PAUL D. GLEASON II, 000–00–0000
PATRICK M. GROGAN, 000–00–0000
DUNCAN G. HUGHES, 000–00–0000
JOHN F. JAMES, 000–00–0000
PAMELA D. JOHNSON, 000–00–0000
GREGORY A. KENNEBECK, 000–00–0000
CHETAN U. KHAROD, 000–00–0000
TODD T. KOBAYASHI, 000–00–0000
DARII AL LANE, 000–00–0000
DONALD J. LANE, 000–00–0000
RAYMOND J. LEGENZA, 000–00–0000
JAMES D. LOWE, 000–00–0000
EVAN R. MEEKS, 000–00–0000
JANICE L. MOSELEY, 000–00–0000
CABOT S. MURDOCK, 000–00–0000
JEFFREY G. NALESNIK, 000–00–0000
DOUGLAS A. NELSON, 000–00–0000
ELIZABETH M. NORRIS, 000–00–0000
DONALD T. OSBORN, 000–00–0000
ROBERT G. PATTERSON, 000–00–0000
CHRISTOPHER P. PAULSON, 000–00–0000
BARAK PERAHIA, 000–00–0000
KENNY J. PETERSON, 000–00–0000
JAMES A. PHALEN, 000–00–0000
KIMBERLY D. PIETSZAK, 000–00–0000
JOSEPH A. POCREVA, 000–00–0000
DAVID M. ROGERS, 000–00–0000
DANIEL A. SHOOR, 000–00–0000
ROBERT E. THAXTON, 000–00–0000
JAMES J. THOMAS, 000–00–0000
DANIEL R. TUCKEY, 000–00–0000
JOHANN S. WESTPHALL, 000–00–0000
SALLY M. WONDERLY, 000–00–0000
CHARLES P. WOOD, 000–00–0000
MARK A. YUSPA, 000–00–0000

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 12203 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE

To be lieutenant colonel

JOSEPH P. ANELLO, 000–00–0000
PHILIP E. BRAY, 000–00–0000
DAVID N. BURTON, 000–00–0000
JOSEPH E. CRITES, 000–00–0000
WILLIAM S. CROMER, 000–00–0000
JAMES F. DAWSON, JR., 000–00–0000
MICHAEL G. GREEN, 000–00–0000
CHARLES A. GRIMES, 000–00–0000
KEVIN K. KINDSCHUH, 000–00–0000
MICHAEL R. LEONE, 000–00–0000
JOHN A. MCALLISTER, 000–00–0000
RICHARD R. OLIVAREZ, 000–00–0000
EDDY L. PAYNE, 000–00–0000
CHARLES B. PORTIS, 000–00–0000
MARTHA T. RAINVILLE, 000–00–0000
DENISE O. SCHOFIELD, 000–00–0000
WILLIAM F. SIMPSON, 000–00–0000
DAVID K. TANAKA, 000–00–0000
JAMES D. THOMPSON, 000–00–0000
JEFFREY T. WILLIAMS, 000–00–0000

JUDGE ADVOCATE GENERALS DEPARTMENT

To be lieutenant colonel

MICHAEL W. SANDERSON, 000–00–0000
FRANK H. SHAW, JR., 000–00–0000

CHAPLAIN CORPS

To be lieutenant colonel

NORMAN L. WILLIAMS, 000–00–0000

MEDICAL CORPS

To be lieutenant colonel

JOHN D. ADAMS, 000–00–0000
ARTHUR B. EISENBREY, 000–00–0000
THOMAS E. HARRIS, 000–00–0000
STEWART J. HAZEL, 000–00–0000
JOHN PANKIEWICZ, JR., 000–00–0000
JAN M. VANHOOMISSEN, 000–00–0000

NURSE CORPS

To be lieutenant colonel

BARBARA T. MARTIN, 000–00–0000

IN THE ARMY

THE FOLLOWING OFFICERS FOR APPOINTMENT AS PERMANENT PROFESSORS AT THE U.S. MILITARY ACADEMY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 4333(B):

COL. WILLIAM G. HELD, 000–00–0000
LT. COL. PATRICIA B. GENUNG, 000–00–0000

IN THE NAVY

THE FOLLOWING-NAMED DISTINGUISHED NAVAL GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

CHARLES ARMSTRONG, 000–00–0000
PHILLIP BLACK, 000–00–0000
BYRON BOENING, 000–00–0000
MATTHEW BURNS, 000–00–0000
MICHAEL CAMDEN, 000–00–0000
DARRELL CANADY, 000–00–0000
CHAD CICCI, 000–00–0000
JOSE CORDERO, 000–00–0000
JOHN EDSON, 000–00–0000
MARK ELLINGSON, 000–00–0000
ANTHONY ERICKSON, 000–00–0000
FRANCIS FRANKY, 000–00–0000
TODD FREISCHLAG, 000–00–0000
JASON GOOGE, 000–00–0000
ROBERT LAWRENCE, 000–00–0000
KYLE LEESE, 000–00–0000
MALCOLM MARTIN, 000–00–0000
TYLER MAW, 000–00–0000
BRIAN PERKINS, 000–00–0000
PETER RIES, 000–00–0000
MICHAEL RUDZIENSKY, 000–00–0000
BENJAMIN RYAN, 000–00–0000
LUIS SANCHEZ, 000–00–0000
DAVID SAUVE, 000–00–0000
JAMES SHANE, 000–00–0000
ANDRE SMOLENACK, 000–00–0000
BENJAMIN SNELL, 000–00–0000
ROB STEVENSON, 000–00–0000
WILLIAM SUTTON, 000–00–0000
JOHN TENCER, 000–00–0000
JEFFREY VICARIO, 000–00–0000
WINCESLAS WEEMS, 000–00–0000

THE FOLLOWING-NAMED NAVAL RESERVE OFFICERS TRAINING CORPS PROGRAM CANDIDATE TO BE APPOINTED PERMANENT ENSIGN IN THE STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

CALEB POWELL, JR., 000–00–0000

THE FOLLOWING-NAMED NAVY ENLISTED COMMISSION PROGRAM CANDIDATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

ANDRE D. BROWN, 000–00–0000
GARY G. ELVIK, 000–00–0000
JAMES R. FELTS, 000–00–0000
GARY L. JACOBSEN, 000–00–0000
WILLIAM J. OSSENFORT, 000–00–0000
BERNARD L. SIMONSON, 000–00–0000

THE FOLLOWING-NAMED DISTINGUISHED NAVAL GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

KYLE D. BRADY, 000–00–0000
DAVID D. DECKER, 000–00–0000
EVAN L. MORRISON, 000–00–0000
DALE PULCZINSKI, 000–00–0000
ALAN WILCOX, 000–00–0000

THE FOLLOWING-NAMED U.S. NAVAL OFFICERS TO BE APPOINTED PERMANENT LIEUTENANT IN THE JUDGE ADVOCATE GENERAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

ERIN E. DAUGHERTY, 000–00–0000
TARA M. LEE, 000–00–0000
ANTHONY J. MAZZEO, 000–00–0000
GARY E. SHARP, 000–00–0000
ROBERT A. WILLIAMS, 000–00–0000

THE FOLLOWING-NAMED FORMER U.S. NAVY OFFICER TO BE APPOINTED PERMANENT CAPTAIN IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

DAVID L. GOODMAN, 000–00–0000

THE FOLLOWING-NAMED U.S. NAVY OFFICERS TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

JOHN K. BURNS, 000–00–0000
PAUL J. JULIANO, 000–00–0000

THE FOLLOWING-NAMED MEDICAL COLLEGE GRADUATE TO BE APPOINTED PERMANENT COMMANDER IN THE DENTAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

TIMOTHY E. SPENCER, 000–00–0000

THE FOLLOWING U.S. NAVY OFFICER TO BE APPOINTED PERMANENT COMMANDER IN THE DENTAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

PAUL T. BROERE, 000–00–0000

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE AIR FORCE RESERVE, UNDER THE PROVISIONS OF SECTIONS 12203, 8362 AND 8371, TITLE 10, UNITED STATES CODE.

LINE

To be colonel

EDWARD A. ASKINS, 000–00–0000
JOHN D. BAILEY, 000–00–0000
ROBERT E. BAILEY, JR, 000–00–0000
STEPHEN R. BARNES, 000–00–0000
LAWRENCE N. BARTON, JR, 000–00–0000
ARCHER B. BATTISTA, 000–00–0000
DONALD E. BEERS, 000–00–0000
MAUREEN H. BERGENFELD, 000–00–0000
WILLIAM A. BLUMBERG, 000–00–0000
JAMES E. BROWN, 000–00–0000
JON A. BROWN, 000–00–0000
WARREN E. BUCHER, 000–00–0000
JOHN B. BUCHHEISTER, 000–00–0000
JONATHAN F. BUSHNELL, JR, 000–00–0000
RICHARD L. BUTEFISH, 000–00–0000
JOSEPH C. BYNUM III, 000–00–0000
JONATHAN W. CAMPBELL, 000–00–0000
LARRY J. CARNAHAN, 000–00–0000
FRED F. CASTLE, JR, 000–00–0000
RICHARD W. CHAMPION, 000–00–0000
JOHN R. CHURCH, 000–00–0000
JOSEPH F. CIRRINCIONE, 000–00–0000
ALAN B. CLUNE, 000–00–0000
JOSEPH L. CORDINA, 000–00–0000
ROBERT L. CORLEY, 000–00–0000
HARLON D. CRIMM, 000–00–0000
CARL M. CRUG, 000–00–0000
ROBERT G. CUTLIP, 000–00–0000
CHARLES L. EARLY, JR, 000–00–0000
ROBERT T. EDWARDS, 000–00–0000
JAMES J. EMMA, 000–00–0000
FRANK R. FAULKNER, 000–00–0000
JULIETTE C. FINKENAUER, 000–00–0000
VADE G. FORRESTER, JR, 000–00–0000
DAVID L. FROSTMAN, 000–00–0000
OWEN C. GADEKEN, 000–00–0000
MARIAN F. GETZELMAN, 000–00–0000
RICHARD H. GIBBS, 000–00–0000
IRIS C. GILBERT, 000–00–0000
THOMAS M. GRAHAM, 000–00–0000
HENRY L. GRAVES, JR, 000–00–0000
EDWIN B. GRIGGS, 000–00–0000
JOHN H. GRUESER, 000–00–0000
STEVEN W. HARDEN, 000–00–0000
WALTER W. HARRINGTON, 000–00–0000
THOMAS H. HART, 000–00–0000
MICHAEL P. HAYES, 000–00–0000
MICHAEL J. HEIDINGSFIELD, 000–00–0000
JEFFREY HOLSHOUSER, 000–00–0000
CHARLES L. HOLSWORTH, 000–00–0000
GEOFFRY S. HOWARD, 000–00–0000
DANIEL M. KETTER, 000–00–0000
FRANCIS B. LANE, 000–00–0000
WILLIAM C. LAWRENCE, 000–00–0000

VALENTINE F. LYNCH, 000–00–0000
LINDELL W. MABUS, 000–00–0000
CHARLES G. MACDONALD, 000–00–0000
WAYNE E. MAROTZ, 000–00–0000
ELLEN C. MATZ, 000–00–0000
DAVID J. MCCARTHY, 000–00–0000
DIANNE R. MCILVOY, 000–00–0000
RONALD V. MEILSTRUP, 000–00–0000
JAMES L. MELIN, 000–00–0000
KEITH W. MEURLIN, 000–00–0000
MARK K. MILLER, 000–00–0000
GARY P. MIXON, 000–00–0000
LAURENCE P. MOLLOY, JR, 000–00–0000
JOSEPH T. MOLYSON, JR, 000–00–0000
JERRY L. MONTGOMERY, 000–00–0000
FRANCIS M. MUNGAVIN, 000–00–0000
MICHAEL P. MURPHEY, 000–00–0000
JOSEPH NABOZNY, 000–00–0000
BRADFORD C. NEAL, 000–00–0000
GAIL H. NELSON, 000–00–0000
MICHAEL T. OHALLORAN, 000–00–0000
LANCE S. OKIMOTO, 000–00–0000
ROBERT D. OLSON, 000–00–0000
JOSEPH G. ONEILL, 000–00–0000
NELSON E. OUTTEN, 000–00–0000
JOHN PELLEGRINO, 000–00–0000
WILLIAM M. RAJCZAK, 000–00–0000
MARK R. REPKO, 000–00–0000
DOUGLAS C. ROPER, 000–00–0000
JAMES T. RUBEOR, 000–00–0000
HENDRICK W. RUCK, 000–00–0000
ALLAN J. SARRAT, JR, 000–00–0000
RICHARD R. SEVERSON, 000–00–0000
DOLORES K. SHERMAN, 000–00–0000
JAMES M. SMITH, 000–00–0000
JAMES W. SMOLKA, 000–00–0000
ERIC L. STEPHENS, 000–00–0000
RICHARD W. STINE, 000–00–0000
DONALD J. SWANINGER, 000–00–0000
THOMAS V. TAMEZ, 000–00–0000
THOMAS D. TAVERNEY, 000–00–0000
ROBERT P. VITRIKAS, 000–00–0000
EDWARD R. VOGLER, 000–00–0000
DANIEL A. WAKLEY, 000–00–0000
PHILIP D. WEBB, 000–00–0000
ROBERT D. WELSH, 000–00–0000
JAMES W. WHITAKER, 000–00–0000
DALE TIMOTHY WHITE, 000–00–0000
ROBERT L. WHITE, 000–00–0000
FLOYD C. WILLIAMS, 000–00–0000
TIMOTHY J. WRIGHTON, 000–00–0000

CHAPLAIN CORPS

To be colonel

ROGER L. BACON, 000–00–0000
JOHN H. ELLEDGE, JR, 000–00–0000
DONALD W. MUSSER, 000–00–0000
MARK J. SPENCE, 000–00–0000

DENTAL CORPS

To be colonel

DONALD E. BERWANGER, 000–00–0000
DAVID D. CRICHTON III, 000–00–0000
DAVID T. EARNEST, 000–00–0000
RICHARD D. HARMON, 000–00–0000
ROBERT B. JAMES, 000–00–0000
ROBERT S. JOHNSON, 000–00–0000

JUDGE ADVOCATE

To be colonel

DONALD A. ANDERSON, 000–00–0000
CARL R. BEHRENS, 000–00–0000
WILLIAM O. BRESNICK, 000–00–0000
ALBERT C. DEPENBROCK, 000–00–0000
EDMUND G. FLYNN, 000–00–0000
DERRICK R. FRANCK, 000–00–0000
BRUCE E. HAWLEY, 000–00–0000
JOHN N. KULAS, 000–00–0000
GREGORY E. MICHAEL, 000–00–0000
KENNETH M. MURCHISON, 000–00–0000
JOHN S. ODOM, JR, 000–00–0000
JOHN B. SOUTHARD, JR, 000–00–0000
RONALD R. STICKA, 000–00–0000

MEDICAL CORPS

To be colonel

THOMAS L. ARNTSON, 000–00–0000
JAMES F. BLAKELY, 000–00–0000
WILLIAM M. CASKEY, 000–00–0000
JOHN R. DIMAR II, 000–00–0000
RICHARD O. DOLINAR, 000–00–0000
VAL D. DUNN, 000–00–0000
WILLIAM J. DUNN, 000–00–0000
RODRIGO B. FLORO, 000–00–0000
DOUGLAS K. HOLMES, 000–00–0000
STEVEN R. HORN, 000–00–0000
BRUCE W. JENSEN, 000–00–0000
MAURICE D. LEVY, 000–00–0000
YASH P. MALHOTRA, 000–00–0000
LOUIS PANG, 000–00–0000
FRANK SPARANDERO, 000–00–0000
SEETHA G. SURYAPRASAD, 000–00–0000
JAMES K. WRIGHT, 000–00–0000

NURSE CORPS

To be colonel

PATRICIA R. BALLENTINE, 000–00–0000
PENELOPE A. BURNS, 000–00–0000
LINDA L. CARNEAL, 000–00–0000
CAROL G. ELLIOTT, 000–00–0000
SANDRA L. ERICKSON, 000–00–0000
LORI A. FICHMAN, 000–00–0000
LOISANN M. HOPKIN, 000–00–0000
MARY M. MARTIN, 000–00–0000
JANICE M. MCKIBBAN, 000–00–0000
PATRICIA M. MOSS, 000–00–0000
SUSAN J. QUINN, 000–00–0000
KAREN S. RIORDAN, 000–00–0000
CLYDE A. ROKKE, 000–00–0000
MARIAN B. SIDES, 000–00–0000
RITA M. SOLANDER, 000–00–0000
BETTY J. TAPP, 000–00–0000
NANCY D. THOMPSON, 000–00–0000
ROSALIE A. WAHLSTROM, 000–00–0000

MEDICAL SERVICE CORPS

To be colonel

GERALD L. ANDRICK, 000–00–0000
SEYMOUR WIENER, 000–00–0000

BIOMEDICAL SERVICE CORPS

To be colonel

LAWRENCE R. BARRETT, 000–00–0000
MARSHA L. CHEESEMAN, 000–00–0000
JEANINE G. COLBURN, 000–00–0000
CHARLES W. JONES, 000–00–0000
GEORGE W. SCHLOSSNAGLE, 000–00–0000
JAMES L. SCOTT, 000–00–0000

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE U.S. AIR FORCE, UNDER THE APPROPRIATE PROVISIONS OF SECTION 624, TITLE 10, U.S.C., AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE, AND THOSE OFFICERS IDENTIFIED BY AN ASTERISK FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, U.S.C., WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, U.S.C., TO PERFORM DUTIES INDICATED PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICERS BE APPOINTED IN A GRADE HIGHER THAN INDICATED.

JUDGE ADVOCATE

To be lieutenant colonel

ANDREA M. ANDERSEN, 000–00–0000
JACK L. ANDERSON, 000–00–0000
HARRY J. BATEY, 000–00–0000
RALPH A. BAUER, 000–00–0000
STEPHEN H. BLEWETT, 000–00–0000
WILLIAM E. BOYLE, 000–00–0000
DAVID F. BRASH, 000–00–0000
CHRISTOPHER F. BURNE, 000–00–0000
JOHN S. CHAMBLEE, 000–00–0000
LE ELLEN COACHER, 000–00–0000
ROBERT E. COACHER, 000–00–0000
PAUL J. COELUS, JR, 000–00–0000
ROBERT V. COMBS II, 000–00–0000
PAUL M. DANKOVICH, 000–00–0000
MORRIS D. DAVIS, 000–00–0000
ALLAN L. DETERT, 000–00–0000
NORBERT J. DIAZ, 000–00–0000
TERRENCE H. FARRELL, 000–00–0000
WILLIAM GAMPEL, 000–00–0000
GREGORY GIRARD, 000–00–0000
WILLIE A. GUNN, 000–00–0000
STEVEN A. HATFIELD, 000–00–0000
BART HILLYER, 000–00–0000
CHARLES P. KIELKOPF, 000–00–0000
BEVERLY B. KNOTT, 000–00–0000
JOHN H. KONGABLE, 000–00–0000
MARIANNE O. LARIVEE, 000–00–0000
PATRICK W. LINDEMANN, 000–00–0000
JEFFREY C. LINDQUIST, 000–00–0000
MARY J. LUDVIGSON, 000–00–0000
MARGARET R. MCCORD, 000–00–0000
JAMES E. MOODY, 000–00–0000
ROGER W. OVERLAND, 000–00–0000
GREGORY B. PORTER, 000–00–0000
RAYMOND E. RISSLING, 000–00–0000
MARK R. RUPPERT, 000–00–0000
DAWN E. B. SCHOLZ, 000–00–0000
KURT D. SCHUMAN, 000–00–0000
SCOTT W. SINGER, 000–00–0000
WALTER J. SKIERSKI, JR, 000–00–0000
KEITH M. SORGE, 000–00–0000
LAURENCE M. SOYBEL, 000–00–0000
JOHN F. SPURLIN, 000–00–0000
HOLLY M. STONE, 000–00–0000
JO ANN STRINGFIELD, 000–00–0000
STEVEN N. TOMANELLI, 000–00–0000
JOSEPH V. TREANOR III, 000–00–0000
DAVID R. VECERA, 000–00–0000
ISRAEL B. WILLNER, 000–00–0000
WAYNE WISNIEWSKI, 000–00–0000

NURSE CORPS

To be lieutenant colonel

MARIANNE B. AIRHART, 000–00–0000
DALE E. ALLEN, 000–00–0000
RUTH M. ANDERSON, 000–00–0000
VINCENT P. BERNOTAS, 000–00–0000
TERRY K. BLUE, 000–00–0000
CECILLIA O. BOLAND, 000–00–0000
THERESA M. BOSTWICK, 000–00–0000
MARCI S. BOSWELL, 000–00–0000
ELIZABETH L. BOWERS, 000–00–0000
TYWANA F. C. BOWMAN, 000–00–0000
TERESA A. CAMPBELL, 000–00–0000
CHERYL A. CARROLL, 000–00–0000
MARYLOU CARSON, 000–00–0000
NANCY L. CHENEVEY, 000–00–0000
BRIAN L. CLAYTON, 000–00–0000
JOHNNIE M. COBWELL, 000–00–0000
JANE E. COZIER, 000–00–0000
FLORENCE B. CRUZ, 000–00–0000
CINDY A. DAVIS, 000–00–0000
RUTH DEPALANTINO, 000–00–0000
STEPHEN R. DISTASIO, JR, 000–00–0000
RUTH M. ECKERT, 000–00–0000
MARGARET T. ELGIN, 000–00–0000
KATHLYN M. EYDENBERG, 000–00–0000
MARIE E. FERRELL, 000–00–0000
BLAKE W. FOLDEN, 000–00–0000
RICHARD L. FORTNER, 000–00–0000
RENEE M. GREER, 000–00–0000
CORNELIA A. GRIFFIN, 000–00–0000
MARGARET A. GRIFFIN, 000–00–0000
KATHRYN R. HAMILTON, 000–00–0000
TERRY L. HAMMOND, 000–00–0000
BETTY S. HARRIS, 000–00–0000
J. WILLIAM HARTLEY, 000–00–0000
KARLA K. HERRES, 000–00–0000
CONSTANCE D. HICKMAN, 000–00–0000
RICHARD M. HOLT, 000–00–0000
BARBARA A. HOSTETLER, 000–00–0000
LORI K. IRWIN, 000–00–0000
VICKI D. JOHNSON, 000–00–0000
LESLIE W. JOHNSTON, 000–00–0000
JOHN A. KENNEY, 000–00–0000
DENISE L. KLAPP, 000–00–0000
KATHLEEN M. KOLES, 000–00–0000
BETH M. KRISTENSON, 000–00–0000
SUSAN M. LAHAIE, 000–00–0000
JAMES L. LANGLOIS, JR, 000–00–0000
STACY L. LANHAMLAHERA, 000–00–0000
IRENE D. LARSON, 000–00–0000
CHERYL A. MANEY, 000–00–0000
MAURA S. MCAULIFFE, 000–00–0000
PATRICIA J. MCCAFFREY, 000–00–0000
MAUREEN A. MCHUGHCASTRO, 000–00–0000
LINDA F. MILLER, 000–00–0000
MARC W. MURPHY, 000–00–0000
BARBARA AG NEDERVELT, 000–00–0000
PATRICIA L. NESS, 000–00–0000
CANDY J. NISTLER, 000–00–0000
ANTHONY J. PINTO, 000–00–0000
SYLVIA A. PRINGLE, 000–00–0000
HARRIET A. QUESENBERRY, 000–00–0000
ELIZABETH S. ROBISON, 000–00–0000
IRMGARD RONDEAU, 000–00–0000
CHARLES R. ROUNTREE, 000–00–0000
RONALD E. RYDGREN, 000–00–0000
SANDRA R. SCHMIDTBERRINGER, 000–00–0000
MARY J. SNYDER, 000–00–0000
JOEL P. SOLOMON, 000–00–0000
LEWIS A. STANLEY, 000–00–0000
BRIDGET S. STONUEY, 000–00–0000
DONNA C. THERIOT, 000–00–0000
GAIL M. THERRIEN, 000–00–0000
KEIKO L. TORGERSEN, 000–00–0000
CHARLES R. TUPPER, 000–00–0000
STEPHEN H. TURNER, 000–00–0000
CAROL L. VERMILLION, 000–00–0000
LANETTE A. WATSON, 000–00–0000
JANICE S. WILMOT, 000–00–0000
LILLIANJOYCE STUCKEY WILSON, 000–00–0000

BIOMEDICAL SCIENCES CORPS

To be lieutenant colonel

LORAINE H. ANDERSON, 000–00–0000
WILLIAM S. ASTLEY, 000–00–0000
MARY K. BALLENGEE, 000–00–0000
NEAL BAUMGARTNER, 000–00–0000
MARY A. BIGELOW, 000–00–0000
CHARLES D. CAULKINS, 000–00–0000
JOHN V. CIVITELLO, JR, 000–00–0000
BRIAN K. DECKERT, 000–00–0000
BRIAN W. DESANTIS, 000–00–0000
JACKSON R. DOBBINS, 000–00–0000
ROY T. FRANKLIN, 000–00–0000
MARK F. GENTILMAN, 000–00–0000
ALFRED S. GRAZIANO, JR, 000–00–0000
JO A. HAGA, 000–00–0000
HELEN M. HORNKINGERY, 000–00–0000
WILLIAM B. HUFF, 000–00–0000
EDWARD S. HUMPHREY, 000–00–0000
BONNIE C. JOHNSON, 000–00–0000
MICHAEL E. JOHNSON, 000–00–0000
BARBARA J. LARCOM, 000–00–0000
BRIAN L. LESTRANGE, 000–00–0000
FRANK B. LIEBHABER, JR, 000–00–0000
RUSSELL J. MEILING, 000–00–0000
HARMON MELDRIM, 000–00–0000
MARION C. MOHRI, 000–00–0000
GEORGE NICOLAS, JR, 000–00–0000
MICHAEL L. NORED, 000–00–0000
MEADE PIMSLER, 000–00–0000
STEPHEN G. REINHART, 000–00–0000
PAULA S. SIMON, 000–00–0000
SCOTT A. SIMPSON, 000–00–0000
STEPHEN M. SMICKER, 000–00–0000
JOHN D. STEIN, 000–00–0000
GORDON B. SWAYZE, 000–00–0000
MARK J. WELTER, 000–00–0000
GREGORY Y. G. YOUNG, 000–00–0000
MICHAEL E. YOUNG, 000–00–0000
THOMAS M. ZAZECKIS, 000–00–0000

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE U.S. AIR FORCE, UNDER THE APPROPRIATE PROVISIONS OF SECTION 624, TITLE 10, U.S.C., AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE, AND THOSE OFFICERS IDENTIFIED BY AN ASTERISK FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, U.S.C., WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, U.S.C., TO PERFORM DUTIES INDICATED PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICERS BE APPOINTED IN A GRADE HIGHER THAN INDICATED.

JUDGE ADVOCATE

To be major

THOMAS M. AYZE, 000–00–0000
DARYL L. BELL, 000–00–0000
DAVID L. BELL, 000–00–0000
JERRI G. BREWER, 000–00–0000
LEONARD L. BROSEKER, 000–00–0000
GARY D. BROWN, 000–00–0000
GERALD Q. BROWN, 000–00–0000
JAMES C. BUCKELS, 000–00–0000
JAMES V. CANNIZZO, 000–00–0000
DONNA M. CLARK, 000–00–0000
TIMOTHY J. COTHREL, 000–00–0000
DAVID J. DICENSO, 000–00–0000
MATTHEW L. DUFFIN, 000–00–0000
KEVIN J. FLEMING, 000–00–0000
TRACI D. GUARINIELLO, 000–00–0000
CLARENCE P. GUILLORY, JR., 000–00–0000
TAMARA S. HOLDER, 000–00–0000
SHARON A. HOMOLKA, 000–00–0000
ROBERT S. HOWARD, 000–00–0000
CAROL L. HUBBARD, 000–00–0000
CHARLIE M. JOHNSONWRIGHT, 000–00–0000
STEVEN E. JONES, 000–00–0000
ELIZABETH KELLY, 000–00–0000
POLLY S. KENNY, 000–00–0000
KEVIN P. KOEHLER, 000–00–0000
WILLIAM R. KRAUS, 000–00–0000
WILLIAM A. KURLANDER, 000–00–0000
ANDREW S. LADE, 000–00–0000
ROBERT P. MAGGARD, 000–00–0000
KAREN E. MAYBERRY, 000–00–0000
JOHN F. MC CUNE, 000–00–0000
JOHN S. MEADOR, 000–00–0000
CRAIG G. MILLER, 000–00–0000
ROBERT M. MITCHELL, 000–00–0000
DOUGLAS G. MURDOCK, 000–00–0000
NANCY J. PAUL, 000–00–0000
RONALD R. RATTON, 000–00–0000
SHAUN T. RILEY, 000–00–0000
JOSEPH P. SCHMITZ, 000–00–0000
MICHAEL A. SCIALES, 000–00–0000
LANCE B. SIGMON, 000–00–0000
STANLEY R. SMITH, 000–00–0000
RANDALL G. SNOW, 000–00–0000
THOMAS R. SPARKS, 000–00–0000
DAVID C. STEWART, 000–00–0000
SHARON K. SUGHRU, 000–00–0000
JOSE C. TAURO III, 000–00–0000
CHERYL H. THOMPSON, 000–00–0000
STEVEN B. THOMPSON, 000–00–0000
MICHAELISA M. TOMASICLANDER, 000–00–0000
JAMES B. WAGER, JR., 000–00–0000
ROBERT E. WATSON, 000–00–0000
BRYAN T. WHEELER, 000–00–0000

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE U.S. AIR FORCE, UNDER THE APPROPRIATE PROVISIONS OF SECTION 624, TITLE 10, U.S.C., AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE, AND THOSE OFFICERS IDENTIFIED BY AN ASTERISK FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, U.S.C., WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, U.S.C., TO PERFORM DUTIES INDICATED PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICERS BE APPOINTED IN A GRADE HIGHER THAN INDICATED.

DENTAL CORPS

To be colonel

STEPHEN W. ANDREWS, 000–00–0000
DONALD M. BELLES, 000–00–0000
JOHN B. BRILEY, 000–00–0000
JAMES C. BROOME, JR., 000–00–0000
MICHAEL R. BROWN, 000–00–0000
MARK T. CARLSON, 000–00–0000
DOUGLAS A. CLARKE, 000–00–0000
WALTER C. DANIELS, 000–00–0000
RICHARD D. DAVIS, 000–00–0000
ALEX A. DEPERALTA, JR., 000–00–0000
HERMAN S. DICKERSON, 000–00–0000
DOUGLAS B. EVANS, 000–00–0000
KENNETH R. EYE, 000–00–0000
ROBERT M. GARRETT, 000–00–0000
GEORGE J. GERDTS, 000–00–0000
JAMES A. GLAESS, 000–00–0000
JEFFREY C. HAMBLETON, 000–00–0000
JEANNE HANSENBAYLESS, 000–00–0000
JOHN S. HORNBURG, 000–00–0000
BRUCE A. KENNEDY, 000–00–0000
WALTER C. KIRK, JR., 000–00–0000
ROBERT B. LARSEN, 000–00–0000
KENNETH A. LEVIN, 000–00–0000
MICHAEL W. MARTIN, 000–00–0000
WILLIAM S. MOORE, 000–00–0000
DAVID F. MURCHISON, 000–00–0000
BRENT E. NELSEN, 000–00–0000
STEVEN J. NEVINS, 000–00–0000
ALAN D. NEWTON, 000–00–0000
GLENDA E. S. NUCKOLS, 000–00–0000
ROBERT A. OLSON, 000–00–0000
JOHNIE D. OVERTON, 000–00–0000
THOMAS J. PLAMONDON, 000–00–0000
RONALD L. PLEIS, 000–00–0000
FORREST R. POINDEXTER, 000–00–0000
STEPHEN W. PORTER, 000–00–0000
MARIA A. RABBIO, 000–00–0000
WILLIAM H. RAINES, 000–00–0000
REX T. RAPER, 000–00–0000
JOHN J RICHTER III, 000–00–0000
STEVEN A RUFFIN, 000–00–0000
KIRK D. SATROM, 000–00–0000
STEPHEN A SCHMIDT, 000–00–0000
THOMAS R SCHNEID, 000–00–0000
ERIC S SCHUERMER, 000–00–0000
NATHAN W SCHWANDT, 000–00–0000
RONALD K SCOVILLE, 000–00–0000
JAY C SMITH, 000–00–0000
MICHAEL W SMITH, 000–00–0000
SUSAN J SMYTHE, 000–00–0000
FAITH A THOMAS, 000–00–0000
GARY V VIGIL, 000–00–0000
DERICK K WILCHER, 000–00–0000

MEDICAL CORPS

To be colonel

JOSEPH ARGYLE, 000–00–0000
HANS E ARVIDSON, 000–00–0000
THOMAS E BALDWIN, 000–00–0000
THOMAS N BEACH, 000–00–0000
FRANKLIN M BOYER, JR, 000–00–0000
STEPHEN B CHRISMAN, 000–00–0000
CRANDON F CLARK, JR, 000–00–0000
GLENN C COCKERHAM, 000–00–0000
KENNETH R DAVIS, 000–00–0000
JEAN B DORVAL, 000–00–0000
RANDALL E FELLMAN, 000–00–0000
ALBERT P FISCHER, JR, 000–00–0000
JAMES C FUNDERBURG, 000–00–0000
SCHUYLER K GELLER, 000–00–0000
TIMOTHY GEORGELAS, 000–00–0000
WILLIAM J GERMANN, 000–00–0000
JOAN R GRIFFITH, 000–00–0000
WILLIAM K HAMILTON, 000–00–0000
DAVID V HANSEN, 000–00–0000
GARY K HARGROVE, 000–00–0000
CRAIG T HATTON, 000–00–0000
CHRISTOPHER N HEINRICHS, 000–00–0000
ROBERT B HULL, 000–00–0000
FREDERICK W JONES, 000–00–0000
HALIFAX C KING, 000–00–0000
PETER S KROGH III, 000–00–0000
HARRY W KUBERG, 000–00–0000
LEON W KUNDROTAS, 000–00–0000
DAVID A LANTZ, 000–00–0000
JAMES L LAUB, 000–00–0000
JOHN D LESSER II, 000–00–0000
MICHAEL W LISCHAK, 000–00–0000
LARRY G MADEN, 000–00–0000
MICHAEL R MAROHN, 000–00–0000
DONALD C MC CURNIN, 000–00–0000
GARRISON V MORIN, 000–00–0000
RICHARD C NIEMTZOW, 000–00–0000
THOMAS J O'DONNELL, 000–00–0000
MICHAEL D PARKINSON, 000–00–0000
JEB S PICKARD, 000–00–0000
ROBERT W RECTENWALD, 000–00–0000
GREGORY T REHE, 000–00–0000
LONDE A RICHARDSON, 000–00–0000
RUTH A ROBINSON, 000–00–0000
RICHARD H ROWE, 000–00–0000
SARLA K SAUJANI, 000–00–0000
KATHERINE E SCHEIRMAN, 000–00–0000
RASA S SILENAS, 000–00–0000
DAVID H SUMMERS, 000–00–0000
MARK G SWEDENBURG, 000–00–0000
EDWARD TAXIN, 000–00–0000
GREGORY J TOUSSAINT, 000–00–0000
RODGER D VANDERBEEK, 000–00–0000
STEPHEN G WALLER, 000–00–0000
CARL L WILLIAMS, 000–00–0000
RICHARD S WILLIAMS, 000–00–0000
BRADLEY A YODER, 000–00–0000
BUJUNG ZEN, 000–00–0000
ROBERT G ZERULL, 000–00–0000

DENTAL CORPS

To be lieutenant colonel

THOMAS W BECKMAN, 000–00–0000
PAUL E BROWN, 000–00–0000
TIMOTHY S CLASEMAN, 000–00–0000
CORYDON L DOERR, 000–00–0000
RANDALL C DUNCAN, 000–00–0000
DOUGLAS M ERICKSON, 000–00–0000
JAMES M GAMBILL, 000–00–0000
MICHAEL C HALL, 000–00–0000
GRANT R HARTUP, 000–00–0000
ROBERT G KARKER, 000–00–0000
JAMES E KING, JR, 000–00–0000
JOHN C KRESIN, 000–00–0000
GARY C MARTIN, 000–00–0000
MARY ELLEN MC LEAN, 000–00–0000
ERIK J MEYERS, 000–00–0000
RICHARD R MILLER, 000–00–0000
GARRY L MYERS, 000–00–0000
ROBERT H POINDEXTER, 000–00–0000
CHARLES A POWELL, 000–00–0000
MARK S RASCH, 000–00–0000
HOWARD W ROBERTS, 000–00–0000
DAVID A STANCZYK, 000–00–0000
VINCENT J TAKACS, 000–00–0000
DOUGLAS C WILSON, 000–00–0000

MEDICAL CORPS

To be lieutenant colonel

MICHAEL J. AINSCOUGH, 000–00–0000
DENNA E. ALI, 000–00–0000
RICHARD E. BACHMANN, JR., 000–00–0000
MARGARET L. BARNESRIVERA, 000–00–0000
STEVEN A. BARRINGTON, 000–00–0000
WILLIAM H. BARTH, JR., 000–00–0000
ALAN B. BERG, 000–00–0000
CATHERINE E. BIERSACK, 000–00–0000
JEFFREY M. BISHOP, 000–00–0000
DOUGLAS F. BOLDA, 000–00–0000
GEORGE T. BOLTON, 000–00–0000
DEBORAH J. BOSTOCK, 000–00–0000
JAMES A. BOURGEOIS, 000–00–0000
MARK W. BOWYER, 000–00–0000
DEBORAH N. BURGESS, 000–00–0000
EDWARD C. CALLAWAY, 000–00–0000
DEAN W. CARLSON, 000–00–0000
JUNE A. CARRAHER, 000–00–0000
DELOS D. CARRIER, 000–00–0000
DOUGLAS J. CHADBOURNE, 000–00–0000
CRAIGHTON CHIN, 000–00–0000
JOHN T. CINCO, 000–00–0000
STEVEN C. COGSWELL, 000–00–0000
DAVID L. CULL, 000–00–0000
DAVID L. DAWSON, 000–00–0000
RICHARD J. DELORENZO, JR., 000–00–0000
JEFFREY G. DEMAIN, 000–00–0000
THOMAS H. DOUGHERTY, 000–00–0000
PRESTON M. DUNNMON, 000–00–0000
EUGENE D. EDDLEMON, 000–00–0000
ROBERT W. ELLIS, 000–00–0000
ANN E. FARASH, 000–00–0000
CHARLES R. FISHER, JR., 000–00–0000
WYATT C. FOWLER, 000–00–0000
DANIEL C. GARNER, 000–00–0000
THOMAS F. GEORGE, 000–00–0000
ANTHONY T. GHIM, 000–00–0000
KARA L. HAAS, 000–00–0000
DAN R. HANSEN, 000–00–0000
CRAIG D. HARTRANFT, 000–00–0000
ANTHONY L. HATCHER, 000–00–0000
AIMEE L. HAWLEY, 000–00–0000
JAMES H. HENDERSON II, 000–00–0000
JAMES H. HERIOT, 000–00–0000
TODD D. HESS, 000–00–0000
BRUCE T. HEWETT, 000–00–0000
STEPHEN R. HOLT, 000–00–0000
JOHN S. HUNT, 000–00–0000
ROBERT R. IRELAND, 000–00–0000
MARK A. JEFFRIES, 000–00–0000
DAVID M. JENKINS, 000–00–0000
LARRY N. JOHNSON, 000–00–0000
VINCENT T. JONES, 000–00–0000
KEVIN T. JORDAN, 000–00–0000
LISA M. JUDGE, 000–00–0000
EVAN Z. KAPP, 000–00–0000
HOWARD L. KATZ, 000–00–0000
WILLIAM B. KLEIN, 000–00–0000
CHRISTOPHER J. KNAPP, 000–00–0000
KATHY A. LACIVITA, 000–00–0000
TIMONTHY J. LADNER, 000–00–0000
TOMAS F. LICHAUCO, 000–00–0000
CHRISTOPHER J. LISANTI, 000–00–0000
GAEL J. LONERGAN, 000–00–0000
ROBERT C. LOWE, 000–00–0000
MATTHEW L. LUKENS, 000–00–0000
KAREN M. MATHEWS, 000–00–0000
DONALD K. MATTHEWS, 000–00–0000
KEVIN M. MC CABE, 000–00–0000
MARK D. MILLER, 000–00–0000
ELIZABETH A. MILUM, 000–00–0000
PAUL S. MUELLER, 000–00–0000
PETER M. MURRAY, 000–00–0000
DAVID SYDNEY NIX, 000–00–0000
KEVIN J. O'TOOLE 000–00–0000
MARTIN G. OTTOLINI, 000–00–0000
ROBERT A. PANICO, 000–00–0000
MICHAEL S. PARANKA, 000–00–0000
DENNIS PEARMAN, 000–00–0000
BRADLEY E. PERSONIUS, 000–00–0000
DANGTUAN PHAM, 000–00–0000
ARNYCE R. POCK, 000–00–0000
THOMAS M. POLIDORE, 000–00–0000
STEVEN M. PRINCIOTTA, 000–00–0000
MARK K. REED, 000–00–0000
MICHAEL J. REZNICEK, 000–00–0000
DAVID B. RHODES, 000–00–0000
JOSE E. ROMAN, 000–00–0000
MICHAEL T. RYAN, 000–00–0000
TERENCE D. RYAN II, 000–00–0000
ROBERT M. SADD, 000–00–0000
EDMUND S. SABANEGH, JR., 000–00–0000
TRACY L. SAMPLES, 000–00–0000
VICENTE E. SANCHEZCASTRO, 000–00–0000
MICHAEL SCHAUBER, 000–00–0000
ERIC R. SCHWARZ, 000–00–0000
ERIC J. SIMKO, 000–00–0000
CARL G. SIMPSON, 000–00–0000
GARY D. SWAIN, 000–00–0000
TERRY L. TOMLINSON, 000–00–0000
LAURA A. TORRESREYES, 000–00–0000
HENRY F. TRIPP, JR., 000–00–0000
WILLIAM J. VALKO, 000–00–0000
MARC A. VALLEY, 000–00–0000
DAVID F. VANDERBURGH, 000–00–0000
DENNIS D. WEAVER, 000–00–0000
CHRISTOPEHER S. WILLIAMS, 000–00–0000
DORIAN J. WILSON, 000–00–0000
ROBERT A. WILSON, 000–00–0000
MYGLEETUS W. WRIGHT, 000–00–0000
DONALD R. YOHO JR., 000–00–0000

DENTAL CORPS

To be major

THADDEUS M. CHAMBERLAIN, 000–00–0000
JAMES C. CHOI, 000–00–0000
CHRISTOPHER CIAMBOTTI, 000–00–0000
ANN M. COFFEY, 000–00–0000
DOUGLAS B. CURRY, 000–00–0000
JOHN A. DOLENZ, 000–00–0000
LONNIE, D. EASTER, 000–00–0000
BRUCE M. ERICKSON, 000–00–0000
JAY E. FANDEL, 000–00–0000
RICHARD R. FRAZIER, 000–00–0000
ROGER J. GOLLON, 000–00–0000
GUY F. GRABIAK, 000–00–0000
DANIEL M. GREISING, 000–00–0000
DANIEL HABERMAN, 000–00–0000

MARISA H. HERMAN, 000–00–0000
TRACY A. HUTCHISON, 000–00–0000
GEORGE E. JOHNSON, 000–00–0000
RICHARD L. JOHNSON, 000–00–0000
BRIAN T. KERNAN, 000–00–0000
ROBERT E. LANGSTEN, 000–00–0000
ROBERT J. MALEK, 000–00–0000
MICHAEL J. MAUGER, 000–00–0000
RANDALL J. MC DANIEL, 000–00–0000
MICHAEL F. MORRIS, 000–00–0000
KEVIN J. MURPHY, 000–00–0000
DAVID W. MURRAY, 000–00–0000
MICHAEL D. MURRAY, 000–00–0000
SUSAN M. OSOVITZPETERS, 000–00–0000
DAVID F. PIERSON, 000–00–0000
JOHN A. SAFAR, 000–00–0000
SCOTT R. SCHUBKEGEL, 000–00–0000
JAY S. TAYLOR, 000–00–0000
MAREN DENNIS M. VAN, 000–00–0000
JANE S. WALLACE, 000–00–0000
MARK H. WRIGHT, 000–00–0000

MEDICAL CORPS

To be major

MARTIN ABBINANTI, 000–00–0000
GAIL D. ABBOTT, 000–00–0000
LISA M. ADE, 000–00–0000
MELISSA A. AERTS, 000–00–0000
BRIAN D. AFFLECK, 000–00–0000
EVAN C. ALLEN, 000–00–0000
NIMIA J. ALSTON, 000–00–0000
FREDERICK J. ANDERSON, JR., 000–00–0000
VALISIA A. ANDREWS, 000–00–0000
BRYAN N. ANGLE, 000–00–0000
JOHN L. ANTHONY, 000–00–0000
EMILO A. ARISPE, 000–00–0000
JAMES C ASHWORTH, 000–00–0000
CARLOS R BAEZ, 000–00–0000
MARY E BANE, 000–00–0000
DAVID R BARNARD, 000–00–0000
DOUGLAS E BARNES, 000–00–0000
GEORGE T BARRON, JR, 000–00–0000
CHARLES A BATEN, 000–00–0000
TIMOTHY N BEAMESDERFER, 000–00–0000
BRION J BEERLE, 000–00–0000
DANIEL D BELLINGHAM, 000–00–0000
JOHN R BENNETT, 000–00–0000
BRAD Z BERGER, 000–00–0000
DANNY P BERK, 000–00–0000
MARTIN F BERTRAM, 000–00–0000
LEROY G BEYER, JR, 000–00–0000
KIP A BIDWELL, 000–00–0000
WILLIAM A BIGGERS, JR, 000–00–0000
JAY T BISHOFF, 000–00–0000
MATTHEW F BITNER, 000–00–0000
KAREN BLANKENBURG, 000–00–0000
ELIZABETH STROH BLOOM, 000–00–0000
JEFFREY A BOCK, 000–00–0000
THOMAS S BOLAND, 000–00–0000
WILLIAM T BOLEMAN, 000–00–0000
JEFFREY R BORIS, 000–00–0000
MARC W BOSTICK, 000–00–0000
MARK A BRADSHAW, 000–00–0000
CYNTHIA L BRANDENBURG, 000–00–0000
WERNER C BROOKS, 000–00–0000
DIANA P BROOMFIELD, 000–00–0000
DAVID W BROUWER, 000–00–0000
ANGELA M BROWN, 000–00–0000
MARKHAM J BROWN, 000–00–0000
TONYA R BROWN, 000–00–0000
VICTORY Y M BROWN, 000–00–0000
SCOTT M BROWNING, 000–00–0000
LENARD C BRUNSDALE, 000–00–0000
ANNE P BURGESS, 000–00–0000
EDWIN K BURKETT, 000–00–0000
HUGH A BURT, 000–00–0000
ONIE BUSSEY, 000–00–0000
JOSEPH A BUZOGANY, 000–00–0000
DIANA R CAFARO, 000–00–0000
JAMES T CALLAGHAN III, 000–00–0000
KEVIN J CALLERAME, 000–00–0000
DANILO O CANLAS, 000–00–0000
KEVIN R CARPENTER, 000–00–0000
FRANCISCO G CARPIO, 000–00–0000
JOHN A CARRINO, 000–00–0000
TODD E CARTER, 000–00–0000
LANNIE J CATION, 000–00–0000
JONATHAN T CHAI, 000–00–0000
THOMAS D CHALLMAN, 000–00–0000
BLAKE V CHAMBERLAIN, 000–00–0000
BRYON CHAMBERLAIN, 000–00–0000
GEORGE F CHIMENTO, 000–00–0000
TODD E CHRISTENSEN, 000–00–0000
ANDREW SUN WEN CHU, 000–00–0000
MARILYN K CLARK, 000–00–0000
STEVEN J CLARK, 000–00–0000
MARCHEL W CLEMENTS, 000–00–0000
MICHAEL EDWARD COGHLAN, 000–00–0000
RAMON E COLINA, 000–00–0000
DAVID R CONDIE, 000–00–0000
JACQUES S COUSINEAU, 000–00–0000
GEORGE B CREEL, 000–00–0000
FRANK J CRIDDLE III, 000–00–0000
WENDELL C DANFORTH, 000–00–0000
LYNDA DANIELUNDERWOOD, 000–00–0000
DEBORAH L DAUGHERTY, 000–00–0000
JERRY E DAVIS, 000–00–0000
MARY P DEFRANK, 000–00–0000
RONALD N DELANOIS, 000–00–0000
EUGENE F DELAUNE, 000–00–0000
MARK A DEMOSS, 000–00–0000
SCOT M DEPUE, 000–00–0000
ANTHONY W DEUSTER, 000–00–0000
DAVID W DEXTER, 000–00–0000
JAIME L DICKERSON, 000–00–0000
ROY J DILEO, 000–00–0000
WILLIAM N DINENBERG, 000–00–0000
JOSEPH A DINKINS, 000–00–0000
FRANK G DITZ, 000–00–0000
ALDO J DOMENICHINI, 000–00–0000
ROBERT B DONEGAN, 000–00–0000
GEORGE R DULABON, 000–00–0000
BLACK RACHEL R DUNN, 000–00–0000
THOMAS M DYE, 000–00–0000
BRUCE M EDWARDS, 000–00–0000
MARTIN G EDWARDS, 000–00–0000
PETER J ELLIOTT, 000–00–0000
KATHLEEN E EMPEN, 000–00–0000
IREL S EPPICH, 000–00–0000
MICHAEL J EPPINGER, 000–00–0000
JAMES S EVANS, 000–00–0000
JAMES W FARN, 000–00–0000
PHILIP J FEARAHN, 000–00–0000
ERIC B FEINBERG, 000–00–0000
EDWARD L FIEG, 000–00–0000
THOMAS G FIELD, 000–00–0000
SCOTT P FIELDER, 000–00–0000
MICHAEL D FIELDS, 000–00–0000
ERIC M FINLEY, 000–00–0000
STEPHANIE A FLESHER, 000–00–0000
LESLIE R FLETCHER, JR, 000–00–0000
RODERICK J FLOWERS, 000–00–0000
DOUGLAS B FORSYTH, 000–00–0000
PETER L FORT, 000–00–0000
JOHN E FORTENBERRY, 000–00–0000
DAVID R FOSS, 000–00–0000
INDRA N FRANK, 000–00–0000
KEVIN J FRANKLIN, 000–00–0000
KURT E FRAUENPREIS, 000–00–0000
STEVEN M FREED, 000–00–0000
PAUL F FREITAS, 000–00–0000
MICHAEL D FUGIT, 000–00–0000
JULIEMARIE GERICK, 000–00–0000
PAUL M GIBBS, 000–00–0000
JOSEPH A GIOVANNINI, 000–00–0000
RICHARD S GIST, 000–00–0000
STEVEN P GOFF, 000–00–0000
ROBIN S GOSSUM, 000–00–0000
CARON JO GRAY, 000–00–0000
GREGORY S GROSE, 000–00–0000
BRIAN A GUNTER, 000–00–0000
EVAN C GUZ, 000–00–0000
KENT L HAGGARD, 000–00–0000
RYAN T HAGINO, 000–00–0000
JEFFREY L HAMILTON, 000–00–0000
CYNTHIA K HAMPSON, 000–00–0000
DENISE L HARKINS, 000–00–0000
F THOMAS HARKINS, 000–00–0000
STEVEN J HARLINE, 000–00–0000
TYLER E HARRIS, 000–00–0000
HOWARD S HAYNES, 000–00–0000
JAMES W HAYNES, 000–00–0000
TINA S HAYNES, 000–00–0000
MICHAEL J HEARD, 000–00–0000
AUGUST S HEIN, 000–00–0000
MARK B HEINONEN, 000–00–0000
ROBIN R HEMPHILL, 000–00–0000
CHARLES A HENDERSON, 000–00–0000
ALAN W HENLEY, 000–00–0000
BARRY S HIGHBLOOM, 000–00–0000
BARBARA A HILGENBERG, 000–00–0000
PETER D HOLT, 000–00–0000
CHARLES HOPE II 000–00–0000
JOSEPH A HOWARD, 000–00–0000
DANILO H HOYUMPA, 000–00–0000
TADD T C HSIE, 000–00–0000
IDA E HUANG, 000–00–0000
MARK E HUBNER, 000–00–0000
ROGER L HUMPHRIES, 000–00–0000
PAUL W HUSER, 000–00–0000
KIRK J HUTJENS, 000–00–0000
RICHARD G IHNAT, 000–00–0000
TERRI ANN IMUNDO, 000–00–0000
LAURA O JACOBS, 000–00–0000
JULI G JEFFREY, 000–00–0000
JEFFERY R JENKINS, 000–00–0000
LISA JOYCE JERVIS, 000–00–0000
OLIVER W JERVIS, JR, 000–00–0000
JAMES W JOHN, 000–00–0000
CHARLES E JOHNSON, 000–00–0000
DWIGHT C JOHNSON, 000–00–0000
MICHAEL A JOHNSON, 000–00–0000
KAY A JOHNSTON, 000–00–0000
JOHN D JOSEPHS, 000–00–0000
CAESAR A JUNKER, 000–00–0000
HAROLD KAFTAN, 000–00–0000
BRENT L KANE, 000–00–0000
TIMOTHY J KAPPEL, 000–00–0000
TIMOTHY E. KEHN, 000–00–0000
THOMAS E KEHN, 000–00–0000
DANIEL KELETI, 000–00–0000
MARK J KELLEN, 000–00–0000
TONI C KILYK, 000–00–0000
COLIN M KINGSTON, 000–00–0000
MARY K KLASSEN, 000–00–0000
ALEXANDER KLYASHTORNY, 000–00–0000
MARK A KOENIGER, 000–00–0000
LINDA K KOLLROSS, 000–00–0000
KIM R KOSTER, 000–00–0000
ANDREA S KRISTOFY, 000–00–0000
TIMOTHY F KURT, 000–00–0000
KRISTEN J LANCASTER, 000–00–0000
ROGER I LANE, 000–00–0000
KEITH R LAYNE, 000–00–0000
KARI A LEIKERT, 000–00–0000
DANIEL J LENIHAN, 000–00–0000
MICHAEL W LENIHAN, 000–00–0000
WILLIAM F. LIGON, 000–00–0000
TIMOTHY W LINEBERRY, 000–00–0000
RICHARD J LOCICERO, 000–00–0000
KELLY T LOCKE, 000–00–0000
DON C LOOMER, 000–00–0000
PAUL T LORENTSEN, 000–00–0000
DANIEL L LOTT, 000–00–0000
DOUGLAS A LOUGEE, 000–00–0000
LAURIE P LOVELY, 000–00–0000
MICHAEL E LYNCH, 000–00–0000
WILLIAM S. MAHER, 000–00–0000
PATTI W MANNING, 000–00–0000
JEFFREY A MARCHESSAULT, 000–00–0000
ELIZABETH A MARKOWITZ, 000–00–0000
AREVALO DEANDRA L MARTIN, 000–00–0000
EDWARD F MARTINEK, 000–00–0000
JOHN C MATTEUCCI, 000–00–0000
DANIEL E MATTHEWS, 000–00–0000
MARION B MAZZOLA, 000–00–0000
COLLOM ANCE E MC,, 000–00–0000
FRANCIS M MC CABE, 000–00–0000
DARYL M MC CLENDON, 000–00–0000
THOMAS C MC FADDEN, JR, 000–00–0000
JOSEPH P MC GRAW, 000–00–0000
SCOTT E MC GUIRE, 000–00–0000
PAUL C MC LOONE, 000–00–0000
SHELLY MEWES MC NAIR, 000–00–0000
JEFFRY P MENZNER, 000–00–0000
CHERYL A MEYERS, 000–00–0000
ERIC D MILLER, 000–00–0000
CYNTHIA A MOFFETT, 000–00–0000
DAVID C MOOTH, 000–00–0000
CHARLES E MORRIS, 000–00–0000
WILLIAM B MORRISON, 000–00–0000
GREGORY J MORSE, 000–00–0000
MYRON E MORSE, 000–00–0000
LINDA K NAKANISHI, 000–00–0000
ROBERT J. NARDINO, 000–00–0000
JEFFREY C NARY, 000–00–0000
KAY M NELSEN, 000–00–0000
ERIC A NELSON, 000–00–0000
PAUL B NELSON, 000–00–0000
ANN A T NGUYEN, 000–00–0000
DUC C NGUYEN, 000–00–0000
STEVEN A NGUYEN, 000–00–0000
CAROL M NIBERT, 000–00–0000
MARQUIS J NUBY, 000–00–0000
CHRISTOPHER A NUSSER, 000–00–0000
LAWRENCE R NYCUM, 000–00–0000
JOHN W OBBINK, JR 000–00–0000
ERIC T ORTINAU, 000–00–0000
LAURA B OSTEZAN, 000–00–0000
RORY G OWEN, 000–00–0000
CHRISTOPHER G PALMER, 000–00–0000
ANDREA L PANA, 000–00–0000
PATRICK M PANCOAST, 000–00–0000
DOMIAN PAONESSA, 000–00–0000
MARK RANDALL PARSON, 000–00–0000
ANJA A PATTON, 000–00–0000
RHONDA L PERRY, 000–00–0000
MICHAEL J PHILLIPS, 000–00–0000
THOMAS R PIAZZA, 000–00–0000
JOSEPH J PIERCE III, 000–00–0000
EMILY W PIERCEFIELD, 000–00–0000
LLOYD A PIERRE, JR, 000–00–0000
JOHN A PILCHER, JR, 000–00–0000
CHRISTOPHER D PITTS, 000–00–0000
HELEN G POREMBA, 000–00–0000
JOHN A POREMBA, 000–00–0000
DANA E POWELL, 000–00–0000
GEORGE E POWELL, 000–00–0000
LEONARDO C PROFENNA, 000–00–0000
DAVID M RASMUSSEN, 000–00–0000
CYNTHIA L RAUH, 000–00–0000
MARVIN LEE RAY, 000–00–0000
DENNIS G REID, 000–00–0000
RICHARD C RENO, 000–00–0000
JENNIFER M RHODE, 000–00–0000
STEVEN G RICHARDSON, 000–00–0000
BRAD A RICHTER, 000–00–0000
PHILLIP C RIDDLE, 000–00–0000
MONICA J RIECKHOFF, 000–00–0000
EDWIN D RISENHOOVER, 000–00–0000
MEGAN A RITTER, 000–00–0000
ANTHONY S ROBBINS, 000–00–0000
KENNETH C ROBERTS, 000–00–0000
DALE C ROBINSON, 000–00–0000
KATHLEEN M RODRIGUEZ, 000–00–0000
JOHN D ROGERS, 000–00–0000
DANIEL N RONEL, 000–00–0000
MELANIE A ROSCOE, 000–00–0000
PETER W ROSS, 000–00–0000
DAVID M ROWLES, 000–00–0000
BARBARA A RUGO, 000–00–0000
ROBERT E RUPP, 000–00–0000
STEVEN R SABO, 000–00–0000
JOHN D SALMON, 000–00–0000
LEE G SALTZGABER, 000–00–0000
TOM J SAUERWEIN, 000–00–0000
KEVIN S L J SAWCHUK, 000–00–0000
ROSS J SCALESE, 000–00–0000
ERIC M SCHACKMUTH, 000–00–0000
WILLIAM G SCHAEFFER, 000–00–0000
LENA C SCHAFFER, 000–00–0000
ROBERT L SCHELONKA, 000–00–0000
JOSEPH C SCHMIDT, 000–00–0000
RUSSELL D SCHROEDER, 000–00–0000
DEAN A SCHULTZ, 000–00–0000
JOHN R SCHULTZ, 000–00–0000
RANDALL H SCHUSTER, 000–00–0000
JAY P SCHWARTZ, 000–00–0000
SCOTT M SELL, 000–00–0000
MARK E SHAFFREY, 000–00–0000
STEVEN M SHARP, 000–00–0000
PAUL J SHAUGHNESSY, 000–00–0000
MICHELE T SIBLEY, 000–00–0000
CHUNG M SIEDLECKI, 000–00–0000
MARC ANTHONY SILBERBUSCH, 000–00–0000
MARIO A SILVA, 000–00–0000
THEODORE P SKAARUP, 000–00–0000
STEPHEN X SKAPEK, 000–00–0000
SCOTT C SLATTERY, 000–00–0000
ANN E SNEIDERS, 000–00–0000

MICHAEL D SOE, 000–00–0000
DAVID D SPAULDING, 000–00–0000
RICHARD E STANDAERT, JR, 000–00–0000
RICHARD T STEFFEN, 000–00–0000
BRUCE E STERNKE, 000–00–0000
WILLIAM A STINNETTE, 000–00–0000
ERIC B STONE, 000–00–0000
STEPHEN E STONEHOUSE, 000–00–0000
KEITH R STORTS, 000–00–0000
PRAVEEN K SUCHDEV, 000–00–0000
JUDITH A SUTTER, 000–00–0000
STEVEN G SUTTON, 000–00–0000
SUSAN L SWARDCOMUNELLI, 000–00–0000
TODD C SWATHWOOD, 000–00–0000
JOHN N SWEENEY, 000–00–0000
EDWARD J SZABO, 000–00–0000
ROBERT F TAKACS, 000–00–0000
ERIC A TAYLOR, 000–00–0000
NEAL R TAYLOR, 000–00–0000
MICHAEL D TEAGUE, 000–00–0000
DENISE J TEASLEY, 000–00–0000
ANGELA R THOMAS, 000–00–0000
JERRY R THOMAS II, 000–00–0000
WILLIAM A. THOMAS, JR., 000–00–0000
CHRISTOPHER M. THOMPSON, 000–00–0000
TOMMY C. THOMPSON, 000–00–0000
DOUGLAS S. TICE, 000–00–0000
CHRIST J. TOCORAS, 000–00–0000
ROGER L. TOLAR, JR, 000–00–0000
GEOFFREY Y. TOM, 000–00–0000
RAFAEL TORRES, 000–00–0000
CHRISTINE M. TOTH, 000–00–0000
TERRENCE L. TRENTMAN, 000–00–0000
LYNETTE K. TUN, 000–00–0000
DANIEL R. TURNER, 000–00–0000
JAMES P. VANDECAR, 000–00–0000
DAVID A. VELLING, 000–00–0000
JEFF P. VISTA, 000–00–0000
DAVID M. WALKER, 000–00–0000
RUSSELL L. WALKER, 000–00–0000
ANDREW J. WALTER, 000–00–0000
ELIZABETH A. WALTER, 000–00–0000
JOHN M. WARNER, 000–00–0000
BILL P. WATSON, 000–00–0000
GERALD S. WELKER, 000–00–0000
JOHN W. WHELAN, JR, 000–00–0000
MICHAEL R. WILMINGTON, 000–00–0000
SCOTT L. WILSON, 000–00–0000
TRACY J. WINTERS, 000–00–0000
JOHN C. WITT, 000–00–0000
LINDA L. WOLBERS, 000–00–0000
DANNY A. WOLFGRAM, 000–00–0000
RANDY J. WOODS, 000–00–0000
LUN S. YAN, 000–00–0000
LYNNE MILLER YANCEY, 000–00–0000
EDWARD L. YANG, 000–00–0000
JESSICA R. YBANEZMORLAND, 000–00–0000
CHI HWA YEH, 000–00–0000
CHRISTOPHER T. YOUNG, 000–00–0000
SCOTT ZAGER, 000–00–0000
PAUL R. ZIMNIK, 000–00–0000
RICHARD M. ZWIRKO, 000–00–0000

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, U.S.C. THE OFFICERS MARKED BY AN ASTERISK (*) ARE ALSO NOMINATED FOR REGULAR APPOINTMENT IN ACCORDANCE WITH SECTION 531 OF TITLE 10, U.S.C.

DENTAL CORPS

To be colonel

LOREN D. ALVES, 000–00–0000
WILLIAM R. BACHAND, 000–00–0000
MICHAEL K. BAISDEN, 000–00–0000
JOHN H. BARKER, 000–00–0000
MICHAEL S. BARTELT, 000–00–0000
RICHARD A. BASS, 000–00–0000
MARK H. BEACH, 000–00–0000
SIDNEY A. BROOKS, 000–00–0000
JOHN S. BROUSSEAU, 000–00–0000
PAUL J. BUCCIGROSS, 000–00–0000
MARY H. BURKE, 000–00–0000
JOHN M. CARUSO, 000–00–0000
ANDREW J. CASSIDY, 000–00–0000
ANDREW D. CHANDLER, 000–00–0000
HUNTER R. CLOUSE, 000–00–0000
JOHN M. DHANE, 000–00–0000
EGGLESTON J. FAULK, 000–00–0000
CARLTON J. FLOYD, 000–00–0000
JEFFREY G. FOERSTER, 000–00–0000
JAMES M. GERGELY, 000–00–0000
DAVID G. GILLON, 000–00–0000
BILL G. GOBLE, 000–00–0000
JAMES N. HAMILTON, 000–00–0000
WILLIAM S. JOHNSON, 000–00–0000
JOSEPH J. JURCAK, 000–00–0000
DAVID G. KERNS, 000–00–0000
VAL L. KUDRYK, 000–00–0000
BYRON W. LINDSAY, 000–00–0000
WILSON J. LUCIANO, 000–00–0000
PAUL A. LUTTRELL, 000–00–0000
JOHN D. MAYO, 000–00–0000
RICHARD J. MC CLAVE, 000–00–0000
MICHAEL J. MC GOWAN, 000–00–0000
STANLEY J. MC NEME, 000–00–0000
ROBERT D. MEYER, 000–00–0000
RONALD W. MIKALOFF, 000–00–0000
BARRY D. MOORE, 000–00–0000
FRANCIS E. NASSER, 000–00–0000
NORMAN W. OTT, 000–00–0000
DANIEL M. PIETZ, 000–00–0000
KEVIN D. PLUMMER, 000–00–0000
DIANE M. POLLICK, 000–00–0000
JOSEPH R. POTOKY, 000–00–0000
THOMAS C. RAKER, 000–00–0000
DANIEL R. RAVEL, 000–00–0000
ROBERT B. REICHL, 000–00–0000
ROBERT B. SCHANZER, 000–00–0000
MICHAEL H. SHAHAN, 000–00–0000
GURBHAJAN SINGH, 000–00–0000
EDWARD A. SOUZA, 000–00–0000
THOMAS A. SULLIVAN, 000–00–0000
MC COMBS K. TILLMAN, 000–00–0000
GARY J. VALIANT, 000–00–0000
MACK A. WARREN, 000–00–0000
MICHAEL E. WERNER, 000–00–0000
EUGENE WEST, 000–00–0000
LESLEY A. WEST, 000–00–0000
DAVID C. WILLIAMS, 000–00–0000
JOSEPH A. WINEMAN, 000–00–0000
TERRY ZETTLEMOYER, 000–00–0000

MEDICAL CORPS

To be colonel

ARNOLD A. ASP, 000–00–0000
DONALD D. * BAILEY, 000–00–0000
RICHARD * BEDNARCZYK, 000–00–0000
PAUL M. BENSON, 000–00–0000
SAMUEL P. * BOEHM, 000–00–0000
MICHAEL E. COATS, 000–00–0000
LYDIA A. COFFMAN, 000–00–0000
LIMONE C. * COLLINS, 000–00–0000
WILLIAM F. * DAVITT, 000–00–0000
NANCY A. DAWSON, 000–00–0000
MARGRETTA M. * DIEMER, 000–00–0000
THOMAS A. * DILLARD, 000–00–0000
DAVID P. * DOOLEY, 000–00–0000
MARSHALL V. * DRESSEL, 000–00–0000
EDWARD M. EITZEN, JR, 000–00–0000
ARN H. * ELIASSON, 000–00–0000
NATHAN ERTESCHIK, 000–00–0000
DOUGLAS W. * FELLOWS, 000–00–0000
CHARLES W. FOX, 000–00–0000
DEAN R. * GIULITTO, 000–00–0000
LARRY J. * GODFREY, 000–00–0000
DANIEL GORDON, 000–00–0000
STEVEN F. GOUGE, 000–00–0000
WILLIAM J. GRABSKI, 000–00–0000
ELDER GRANGER, 000–00–0000
STEVEN A. GREENWELL, 000–00–0000
MILO L. * HIBBERT, 000–00–0000
RALPH M. HINTON, 000–00–0000
KENNETH J. HOFFMAN, 000–00–0000
GWENDOLYN * HOLEMAN, 000–00–0000
RAYMOND A. * HOWARD, 000–00–0000
STEPHEN C. INSCORE, 000–00–0000
JONATHAN H. JAFFIN, 000–00–0000
KEVIN T. * JAMES, 000–00–0000
JAMES E. JOHNSON, 000–00–0000
DELBERT E. * JONES, 000–00–0000
STEPHEN R. * JONES, 000–00–0000
MARTIN G. JOURDEN, 000–00–0000
JOHN M. KIRK, 000–00–0000
MARGARET J. KNAPP, 000–00–0000
DANIEL H. KNODEL, 000–00–0000
JENICE N. * LONGFIELD, 000–00–0000
DAVE E. LOUNSBURY, 000–00–0000
PHILLIP L. MALLORY, 000–00–0000
SAMUEL K. * MARTIN, 000–00–0000
MICHAEL D. * MATSON, 000–00–0000
RONALD A. MAUL, 000–00–0000
MARTHA MC COLLOUGH, 000–00–0000
THOMAS C. * MICHELS, 000–00–0000
JAMES G. MILLER, 000–00–0000
OPHELIA * PATTERSON, 000–00–0000
THOMAS * PENNINGTON, 000–00–0000
JAMES A. PFAFF, 000–00–0000
THOMAS * QUARNSTROM, 000–00–0000
KRISTIN B. RAINES, 000–00–0000
KATY L. * REYNOLDS, 000–00–0000
PAUL B. * ROCK, 000–00–0000
JOSE L. SANCHEZ, 000–00–0000
WAYNE A. SCHIRNER, 000–00–0000
GILBERTO * SOSTRE, 000–00–0000
LEONARD C. SPERLING, 000–00–0000
MERLE S. SPRAGUE, 000–00–0000
LAIRIE O. * STABLER, 000–00–0000
ROGER W. STRICKLAND, 000–00–0000
RITA L. * SVEC, 000–00–0000
GREGG W. TAYLOR, 000–00–0000
MARK S. * TAYLOR, 000–00–0000
RAY U. TOMKINS, 000–00–0000
RONALD P. * TURNICKY, 000–00–0000
PHILIP VOLPE, 000–00–0000
WILLIAM O. WALKER, 000–00–0000
HERBERT G. WHITLEY, 000–00–0000
JOSEPH F. * YETTER, 000–00–0000