

Deposit, is used to give recent retirees the opportunity to waive Direct Deposit of their payments from OPM. The form is sent only if the separating agency did not give the retiring employee this election opportunity.

Approximately 45,500 forms are completed annually. The form takes approximately 30 minutes to complete. The annual estimated burden is 22,750 hours.

For copies of this proposal, contact Mary Beth Smith-Toomey on (202) 606-8358, or E-mail to mbtoomey@opm.gov

DATES: Comments on this proposal should be received on or before July 10, 2000.

ADDRESSES: Send or deliver comments to:

Ronald W. Melton, Chief, Operations Support Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3349, Washington, DC 20415;

and

Joseph Lackey, OPM Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, NW Room 3002, Washington, DC 20503.

For information regarding administrative coordination contact: Donna G. Lease, Team Leader, Forms Analysis and Design, Budget & Administrative Services Division, (202) 606-0623.

U.S. Office of Personnel Management.

Janice R. Lachance,

Director.

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BILLING CODE 6325-01-U

OFFICE OF PERSONNEL MANAGEMENT

January 2000 Pay Adjustments

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: The President adjusted the rates of basic pay and locality payments for certain categories of Federal employees in January 2000. This notice documents those pay adjustments for the public record.

FOR FURTHER INFORMATION CONTACT:

Denise Jenkins, Office of Compensation Administration, Workforce Compensation and Performance Service, Office of Personnel Management, (202) 606-2858, FAX (202) 606-0824, or email to payleave@opm.gov.

SUPPLEMENTARY INFORMATION: On December 21, 1999, the President signed

Executive Order 13144 (64 FR 72237, December 23, 1999), which established the January 2000 across-the-board adjustments for the statutory pay systems and the 2000 locality pay adjustments for General Schedule (GS) employees in the 48 contiguous States and the District of Columbia. The President made these adjustments consistent with section 646 of the Treasury and General Government Appropriations Act, 2000 (Public Law 106-58, September 29, 1999). Schedule 1 of Executive Order 13144 provides the rates for the 2000 General Schedule and reflects a 3.8 percent general increase. Executive Order 13144 also includes the percentage amounts of the 2000 locality payments. (See Section 5 and Schedule 9 of Executive Order 13144.) The publication of this notice satisfies the requirement in section 5(b) of Executive Order 13144 that the Office of Personnel Management (OPM) publish appropriate notice of the 2000 locality payments in the **Federal Register**.

GS employees receive locality payments under 5 U.S.C. 5304. Locality payments apply in the 48 contiguous States and the District of Columbia. In 2000, locality payments ranging from 6.78 percent to 15.01 percent apply to GS employees in 32 locality pay areas. These 2000 locality pay percentages, which replaced the locality pay percentages that were applicable in 1999, became effective on the first day of the first applicable pay period beginning on or after January 1, 2000. An employee's locality-adjusted annual rate of pay is computed by increasing his or her scheduled annual rate of basic pay (as defined in 5 U.S.C. 5302(8) and 5 CFR 531.602) by the applicable locality pay percentage. (See 5 CFR 531.604 and 531.605.)

On December 7, 1999, the President's Pay Agent extended the 2000 locality-based comparability payments to the same Governmentwide and single-agency categories of non-GS employees that received the 1999 locality payments. The Governmentwide categories include members of the Senior Executive Service (SES), the Foreign Service, the Senior Foreign Service, employees in senior-level (SL) and scientific or professional (ST) positions, administrative law judges, and members of Boards of Contract Appeals.

Executive Order 13144 establishes the new Executive Schedule, which incorporates the 3.4 percent increase required under 5 U.S.C. 5318. The Executive order also reflects a decision by the President to increase the rates of basic pay for members of the Senior Executive Service (SES) by 3.8 percent

(rounded to the nearest \$100) at SES levels ES-1 through ES-3 and by 3.6 percent (rounded to the nearest \$100) at ES-4. Since the maximum rate of basic pay for SES members is limited by law to the rate for level IV of the Executive Schedule, which was increased to \$122,400, the rates of basic pay for levels ES-5 and ES-6 were increased by approximately 3.4 percent (rounded to the nearest \$100).

Public Law 106-97 of November 12, 1999, amended 5 U.S.C. 5372 to provide the President with authority to adjust the rates of basic pay for administrative law judges (ALJs) at the time of the pay increase for the statutory pay systems. The Executive order reflects a decision by the President to increase the rates of basic pay for ALJs at level AL-2 and AL-3 by 3.8 percent (rounded to the nearest \$100). The President increased the rate of basic pay for AL-1 by approximately 3.4 percent (rounded to the nearest \$100), since that rate is capped at the rate of basic pay for level IV of the Executive Schedule.

The rates of basic pay for Board of Contract Appeals (BCA) members are calculated as a percentage of the rate for level IV of the Executive Schedule. (See 5 U.S.C. 5372a.) Therefore, BCA rates of basic pay were increased by approximately 3.4 percent. Also, the maximum rate of basic pay for senior-level (SL) and scientific or professional (ST) positions was increased by approximately 3.4 percent (to \$122,400) because it is tied to the rate for level IV of the Executive Schedule. The minimum rate of basic pay for SL/ST positions is equal to 120 percent of the minimum rate of basic pay for GS-15, and thus was increased by 3.8 percent (to \$93,137). (See 5 U.S.C. 5376.)

OPM published "Salary Tables for 2000" (OPM Doc. 124-48-6) in March 2000. This document provides complete salary tables incorporating the 2000 pay adjustments, information on general pay administration matters, locality pay area definitions, Internal Revenue Service withholding tables, and other related information. The rates of pay shown in "Salary Tables for 2000" are the official rates of pay for affected employees and are hereby incorporated as part of this notice. You may purchase copies of "Salary Tables for 2000" from the Government Printing Office (GPO) by calling (202) 512-1800 or FAX (202) 512-2250. You may order copies directly from GPO on the Internet at http://orders.access.gpo.gov/su_docs/sale/prf/prf.html. In addition, you can find pay tables on OPM's Internet website at <http://www.opm.gov/oca/payrates/index.htm>.

Office of Personnel Management.

Janice R. Lachance,
Director.

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POSTAL SERVICE

Quality Control Reviews for Discounted Letters (Presorted/Automation Rate Mail)

AGENCY: Postal Service.

ACTION: Notice.

SUMMARY: This second notice provides responses to comments submitted concerning the notice published in the *Federal Register* (65 FR 141-142) about the Mail Quality Analysis (MQA) program. MQA is an automated quality control review tool for automation letter mail preparation. It focuses on presort and piece count accuracy. MQA uses existing automation equipment, software, and reports to compare actual sortation to mailer documentation for sampled mail.

DATES: Effective May 1, 2000.

FOR FURTHER INFORMATION CONTACT: Mark Richards, (703) 329-3684.

SUPPLEMENTARY INFORMATION: On January 3, 2000, the Postal Service published a Notice and Request for Comments concerning the MQA program in the *Federal Register*. Descriptions of the MQA program and announcements to business mailers about MQA were published in *Postal Bulletin* 22012 (December 2, 1999) and in the December issue of *Mailers Companion*. Further details will appear in *Mailers Companion* and will be presented at Postal Customer Council meetings.

MQA will begin on May 1, 2000, and will phase in to full implementation on October 15, 2000. From May 1 to October 15, 2000, MQA reports will be provided to mailers as diagnostic information, enabling mailers to assure that their design, preparation, and production procedures result in mailings that qualify for the postage rates claimed. After October 15, 2000, mailings showing more than a 5 percent presort error rate will result in a postage adjustment if the adjustment totals more than \$50. After October 15, a mailer's first-ever MQA analysis will serve as a notice only. In all cases, MQA feedback will help mailers to identify and fix the root causes of any presort and/or piece count errors.

The Postal Service and mailers have worked together for many years to improve the quality of mail, which

ultimately benefits all customers through more stable postage rates. MQA incorporates a quality control analysis process, with feedback to the mailer on the results of the review. Only mailers with consistent quality control problems will experience routine postage adjustments. The MQA feedback process, however, is designed to help prevent consistent problems from happening. MQA, as a process management tool, is analogous to the in-process quality/inventory/productivity indicators used by other businesses and industries in their quality control efforts.

MQA uses existing equipment, software, and reports to compare mail sortation and piece counts with mail qualification reports submitted by the mailer. MQA provides an additional return to the Postal Service and our customers from ongoing investments in technology and software. MQA is not a developmental program, but a new application of existing capabilities. The Postal Service believes it is vital to create an environment that leads to high-quality mail and also bolsters the integrity of the worksharing discount program. MQA enhances an environment where each mailer pays postage commensurate with preparation of their mail.

Summary of Comments Received

The Postal Service received five comments in response to the January 3, 2000, *Federal Register* notice. The commenters were two mailer associations, one mailing logistics firm, one mailing service, and one large mail-order firm.

Specific issues raised in the comments are presented below. All commenters supported the goal of improving mail quality for the benefit of all postal customers. Concerns were primarily related to the postage adjustment aspect of MQA. One commenter limited his concern to say that calculations for postage adjustments need to be clearly stated, and the MQA reports as described do so. The following is a summary of the other comments:

1. Implementation should not have occurred before the comment period expired. The mailing industry should have been involved up front in the development of MQA.
2. Mailers should be given advance notice when their mail is to be reviewed under MQA.
3. After initial verification and acceptance, can the Postal Service perform additional quality reviews?
4. Can the Postal Service legally initiate a postage adjustment for mail

after acceptance? There is a limited opportunity for "rework" of mail preparation errors.

5. Mailers are not responsible for their mail after it has been accepted by the Postal Service.

6. Are MQA reports linked to the sample and mailing (associated with the mailing and custody of sample), and are MQA samples dispatched in a timely manner?

7. Do equipment issues (reading accuracy and availability of machine maintenance records) affect MQA?

8. It is not fair to calculate postage adjustments against the entire mailing; the sample size is small compared to the potential postage adjustment.

9. Postage adjustments are difficult for mailers to pay. Institute a delay for collection of postage.

10. How will mailers know what to fix?

11. Will mailers have appeal rights and protection from arbitrary determinations?

12. The MQA program should be discontinued, and costs of presort errors spread among all mailers.

13. MQA is a threat to customers and will not encourage more mail.

14. MQA should be rolled out to all mailers, not just to larger mailers.

Responses to Comments

Item 1: Full implementation of MQA was scheduled for June 3, 2000 (well after expiration of the comment period on February 2), and has now been deferred to October 15, 2000. Mailers and their associations have been engaged in dialogue with the Postal Service for the past several months. It also is significant that the diagnostic and feedback provisions incorporated within MQA have been requested by a variety of mailers for some time. MQA uses existing equipment, software, and reports to compare mail sortation with mailer presort documentation and provides an additional return to the Postal Service and our customers from ongoing investments in technology and software.

Item 2: To assure that MQA reviews are a true picture of mail as routinely submitted to the Postal Service, advance notification of mailings selected for review will not occur, either internally or to mailers. Mailers with on-site detached mail units (DMUs), however, likely will notice that a particular mailing has been selected for analysis, because trays will be isolated for the MQA review. Mailers whose mailings are submitted to a business mail entry unit (BMEU) may not know their mail was analyzed until they receive an MQA report. In recent industry discussion