to read our unique genetic blueprints and predict the likelihood of developing diseases such as cancer, Alzheimer's, or Parkinson's. They will also be able to use an individual's genetic information to develop treatments for these same diseases, and target individuals with the treatment that will work best for them. This is not science fiction. It is already beginning to happen.

For all the promise of the genetic age, there is also an inherent threat. Science has outpaced the law and Americans are worried, and rightly so, that their genetic information will be used—not to improve their health—but to deny them health insurance or employment. There is no information more personal and private than genetic information—and no information more worthy of special protection. Our genetic code is the very blueprint of our selves. It is with us from birth, and to some extent it determines who we will become. What an incredibly powerful tool, with its vast potential to help us live healthier lives. But the nature of genetic information also makes it dangerous to the individual if used incorrectly.

This bill provides significant new protections against the misuse of genetic information. It ensures that Americans who are genetically predisposed to health conditions will not lose or be denied health insurance, jobs, or promotions based on their genetic makeup. Reaching an agreement on this legislation means that our laws dealing with genetic information can begin to catch up to the reality of our technological capability in the field.

With these protections in place, individuals need not feel reluctant to get the tests that may save or improve their lives. Although the Americans with Disabilities Act, ADA, and the Health Insurance Portability and Accountability Act, HIPAA, took important steps towards preventing genetic discrimination, this legislation is more specifically tailored to prohibiting its misuse. Health plans and health insurance issuers will not be allowed to underwrite, determine premiums, or decide on eligibility for enrollment based on genetic information. Employers will not be allowed to alter hiring practices based on genetic information. The American public can feel secure in the knowledge that their genetic blueprint will not be used to harm them, that a genetic marker indicating a possible illness later in life will not cause them to lose a job or health insurance.

Like any compromise, this bill is not perfect. In particular, while it poses some important limitations on the collection of personal genetic information by insurance companies, it would allow them to collect this information, without consent, once an individual is enrolled in a health plan. While insurers are expressly prohibited from using this information for the purposes of underwriting, I am concerned that once they have this information, it may be difficult to control how it is used and who has access to it. We all know from experience that the difficulty of protecting information increases exponentially with each additional person who has access to that information. As this bill becomes law—and I sincerely hope it will—I will monitor closely how it is implemented, and the extent to which privacy is protected. We may need to revisit this issue in the future.

Mr. President, despite this shortcoming, I support this bill, as it represents a vast improvement over current law in many ways. I hope that it will become law in the very near future. This Chamber passed a similar bill last year by a vote of 95 to 0. Unfortunately, the House did not take up this important legislation. I urge them to do so as soon as possible. We all should feel free to make our health care decisions based on our health care needs, not based on fear. Today, we are close to making that goal a reality.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I ask unanimous consent for an additional 2 minutes to finish this up.

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

Mr. ENZI. Mr. President, I thank the Senator from Iowa and all others who have spoken today. It has been a very positive day. I thank the Presiding Officer for the care with which he reviewed this bill and the issues he brought up and the resolution that I am sure we have gotten.

I would be very remiss if I did not thank the staffs of all of those people who help us dig into these issues to be sure we are doing the right thing. They bring some different perspectives that add to coming up with the right solution.

I particularly thank those people from the committee on both sides of the aisle for their efforts. I thank Kim Monk, David Thompson, Bill Pewen, David Bowen, Holly Fechner, Sean Donohue, Ilyse Schuman, Andrew Patzman, David Nexon, Adam Gluck, Carolyn Holmes, Kate Leone, Ben Berwick, Jennifer Duck, and Steve Northrup.

I particularly mention Katherine McGuire, who is the new staff director, who was able to put together all of the personnel we needed and then a committee retreat, as well as coordinating and moving all these things along, so we could be at this point this soon.

We thank all those people for their individual efforts as well as the team efforts they put in.

At this point, I think we are ready to move on. I yield the floor and thank everybody for their participation.

AMENDMENT NO. 13

(Purpose: To provide a complete substitute)

The PRESIDING OFFICER. Under the previous order, amendment No. 13 is agreed to.

The amendment (No. 13) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The PRESIDING OFFICER. The substitute, as amended, is agreed to.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will read the bill for the third time.

The bill was ordered to be engrossed for a third reading and was read the third time.

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

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

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

NOTICE OF PROPOSED RULEMAKING

Mr. STEVENS. Mr. President, I ask unanimous consent that the attached statement from the Office of Compliance be printed in the RECORD today pursuant to section 304(b)(1) of the Congressional Accountability Act of 1995 (2 U.S.C. 1384(b)(1)).

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

FROM THE BOARD OF DIRECTORS OF THE OFFICE OF COMPLIANCE

Notice of Proposed Rulemaking, and Request for Comments From Interested Parties

NEW PROPOSED REGULATIONS IMPLEMENTING CERTAIN SUBSTANTIVE EMPLOYMENT RIGHTS AND PROTECTIONS FOR VETERANS, AS REQUIRED BY 2 U.S.C. 1316a, THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995, AS AMENDED (CAA).

Background

The purpose of this Notice is to issue proposed substantive regulations which will implement the 1998 amendment to the CAA which applies certain veterans' employment rights and protections to employing offices and employees covered by the CAA.

What is the authority under the CAA for these proposed substantive regulations? In 1998, the CAA was amended through addition of 2 U.S.C. 1316a, a provision of the Veterans' Employment Opportunities Act of 1998 (VEOA), which states in relevant part: ''The rights and protections established under section 2108, sections 3309 through 3312, and subchapter I of chapter 35 of Title 5, shall apply to covered employees.'' As will be described in greater detail below, these sections of Title 5 accord certain hiring and retention rights to veterans of the uniformed services. Section 1316a(4)(B) states that ''The regulations issued . . . shall be the same as the most relevant substantive regulations (applicable with respect to the Executive Branch)

promulgated to implement the statutory provisions . . . 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.''

Will these regulations, if approved, apply to all employees otherwise covered by the CAA? No. Subsection (5) of 2 U.S.C. 1316a, states that, for the purpose of application of these veterans' employment rights, the term ''covered employee'' shall not apply to any employee of an employing office: (A) whose appointment is made by the President with the advice and consent of the Senate; (B) whose appointment is made by a Member of Congress or by a committee or subcommittee of either House of Congress; or (C) who is appointed to a position, the duties of which are equivalent to those of a Senior Executive Service position. . . .'' These regulations would apply to all other covered employees.

Do other veterans' employment rights apply via the CAA to Legislative Branch employing offices and covered employees? Yes. Another statutory scheme regarding veterans' and armed forces members' employment rights is incorporated in part through section 206 of the Congressional Accountability Act of 1995 (CAA). Section 206 of the CAA, 2 U.S.C. 1316, applies certain provisions of Title 38 of the U.S. Code regarding ''Employment and Reemployment Rights of Members of the Uniformed Services.'' Section 206 of the CAA also requires the Board of Directors to issue substantive regulations patterned upon the regulations promulgated by the Secretary of Labor to implement the Title 38 rights of members of the uniformed services. As of this date, the Secretary of Labor has not finally promulgated any such regulations. Therefore, regulations implementing CAA section 206 rights will not be proposed by the Board until the Labor Department regulations have been promulgated. The proposed regulations in this Notice are not based on section 206 of the CAA, but solely on the other veterans' rights referenced in 2 U.S.C. 1316a.

What are the veterans' employment rights applied to covered employees and employing offices in 2 U.S.C. 1316a? In recognition of their duty to country, sacrifice, and exceptional capabilities and skills, the United States government has accorded veterans a preference in federal employment through a series of statutes and Executive Orders, beginning as the Civil War drew to a close. While interpreting regulations have been modified over time, many of the current core statutory protections have remained largely unchanged since they were first codified in the historic Veterans' Preference Act of 1944, Act of June 27, 1944, ch. 287, 58 Stat. 387, amended and codified in various provisions of Title 5, U.S.C. In 1998, Congress passed the Veterans Employment Opportunities Act (''VEOA''), Pub. L. 105–339, 112 Stat. 3186 (October 31, 1998), which ''strengthen[s] and broadens''(Sen. Rept. 105–340, 105 Cong., 2d Sess. at 19 (Sept. 21, 1998)) the rights and remedies available to military veterans who are entitled to preferred consideration in hiring and in retention during reductions in force (''RIFs''). Among other provisions of the VEOA, Congress clearly stated, in the law itself, that henceforth the ''rights and protections'' of certain veterans' preference law provisions, originally drafted to cover certain Executive Branch employees, ''shall apply'' to certain ''covered employees'' in the Legislative Branch. VEOA §§4(c)(1) and (5) (emphasis added).

The selected statutory sections which Congress determined ''shall apply'' to covered employees in the Legislative Branch include, first, a definitional section describing the categories of military veterans who are entitled to preference (''preference eligibles''). 5 U.S.C. §2108. Generally, a veteran must be disabled or have served on active duty in the Armed Forces during certain specified time periods or in specified military campaigns to be entitled to preference. In addition, certain family members (mainly spouses, widow[er]s, and mothers) of preference eligible veterans are entitled to the same rights and protections.

The VEOA also makes applicable to the Legislative Branch certain statutory preferences in hiring. In the hiring process, a preference eligible individual who is tested or otherwise numerically evaluated for a position is entitled to have either 5 or 10 points added to his/her score, depending on his/her military service, or disabling condition. 5 U.S.C. §3309. Where experience is a qualifying element for a job, a preference eligible individual is entitled to credit for having relevant experience in the military or in various civil activities. 5 U.S.C. §3311. Where physical requirements (age, height, weight) are a qualifying element for a position, preference eligible individuals (including those who are disabled) may obtain a waiver of such requirements in certain circumstances. 5 U.S.C. §3512.

For certain positions (guards, elevator operators, messengers, custodians), only preference eligible individuals may be considered for hiring so long as such individuals are available. 5 U.S.C. §3310. (These statutory provisions on hiring in the Executive Branch apply specifically to the competitive service; this point will be discussed further below.)

Finally, in prescribing retention rights during Reductions In Force for Executive Branch positions (in both the competitive and in the excepted service), the sections in subchapter I of chapter 35 of Title 5, U.S.C., with a slightly modified definition of ''preference eligible,'' require that employing agencies retain an employee with retention preference in preference to other competing employees, provided that the employee's performance has not been rated unacceptable. 5 U.S.C. §3502(c) (emphasis added).

Along with this explicit command to retain qualifying employees with retention preference, agencies are to follow regulations governing the release of competing employees, giving ''due effect'' to the following factors: (a) employment tenure (i.e., type of appointment); (b) veterans' preference; (c) length of service; and, (d) performance ratings. 5 U.S.C. §3502(a). 5 U.S.C. §3502 also requires certain notification procedures, providing, inter alia, that an employing agency must provide an employee with 60 days written notice (the period may be reduced in certain circumstances) prior to being released during a RIF. 5 U.S.C. §3502(d)(1). Certain protections also apply in connection with a transfer of agency functions from one agency to another. 5 U.S.C. §3503. In addition, where physical requirements (age, height, weight) are a qualifying element for retention, preference eligible individuals (including those with disabilities) may obtain a waiver of such requirements in certain circumstances. 5 U.S.C. §3504.

Are there veterans' employment regulations already in force under the CAA? No.

Procedurals Summary

How are substantive regulations proposed and approved under the CAA? Pursuant to section 304 of the CAA, 2 U.S.C. 1384, the procedure for promulgating such substantive regulations requires that: (1) the Board of Directors adopt proposed substantive regulations and publish a general notice of proposed rulemaking in the *Congressional Record*; (2) there be a comment period of at least 30 days after the date of publication of the general notice of proposed rulemaking; (3) after consideration of comments by the Board of Directors, that the Board adopt regulations and transmit notice of such action together with the regulations and a recommendation regarding the method for Congressional approval of the regulations to the Speaker of the House and President pro tempore of the Senate for publication in the *Congressional Record*; (4) committee referral and action on the proposed regulations by resolution in each House, concurrent resolution, or by joint resolution; and (5) final publication of the approved regulations in the *Congressional Record*, with an effective date prescribed in the final publication. For more detail, please reference the text of 2 U.S.C. 1384. This Notice of Proposed Rulemaking is step (1) of the outline set forth above.

Are these proposed regulations also recommended by the Office of Compliance's Executive Director, the Deputy Executive Director for the House of Representatives, and the Deputy Executive Director for the Senate? As required by section 304(b)(1) of the CAA, 2 U.S.C. 1384(b)(1), the substance of these regulations is also recommended by the Executive Director, the Deputy Executive Director for the House of Representatives and the Acting Deputy Executive Director for the Senate.

Has the Board of Directors previously proposed substantive regulations implementing these veterans' employment rights and benefits pursuant to 2 U.S.C. 1316a? Yes. On February 28, 2000, and March 9, 2000, the Office published an Advanced Notice of Proposed Rulemaking (''ANPR'') in the *Congressional Record* (144 Cong. Rec. S862 (daily ed., Feb. 28, 2000), H916 (daily ed., March 9, 2000)). On December 6, 2001, upon consideration of the comments to the ANPR, the Office published a Notice of Proposed Rulemaking (''NPR'') in the *Congressional Record* (147 Cong. Rec. S12539 (daily ed. Dec. 6, 2001), H9065 (daily ed. Dec. 6, 2001)). The Board has not acted further on those earlier Notices, and has decided to issue this Notice as the first step in a new effort to promulgate implementing regulations.

As noted above, 2 U.S.C. 1316a mandates application to the Legislative Branch of certain statutory provisions originally drafted for the Executive Branch. In its initial proposed rules, the Board noted that this statutory command raised the quandary of determining which Legislative Branch employees should be covered by which statutory provisions. There are longstanding and significant differences between the personnel policies and practices within these two branches. For instance, the Executive Branch distinguishes between employees in the ''competitive service'' and the ''excepted service,'' often with differing personnel rules applying to these two services. The Legislative Branch has no such dichotomy.

When Congress directed in the VEOA that certain veterans' employment rights and protections currently applicable to Executive Branch employees shall be made applicable to Legislative Branch employees, the Board took note of a central distinction made in the underlying statute: certain veterans' preference protections (regarding hiring) applied only to Executive Branch employees in the ''competitive'' service, while others (governing reductions in force and transfers) applied both to the ''competitive'' and ''excepted'' service.

The Board's initial approach in 2000 was to maintain this distinction by attempting to discern which Legislative Branch employees should be considered as working in positions equivalent to the ''competitive'' service, and

which should be considered equivalent to the ''excepted'' service. At that point, the Board concluded that all Legislative Branch employees, with certain possible exceptions (such as those of the Office of the Architect of the Capitol) should be considered excepted service employees. The Board therefore issued regulations, closely following Office of Personnel Management (''OPM'') regulations for the various statutory provisions, with the caveat that the regulations governing hiring would apply only to those employees whom the Board currently deemed working at jobs equivalent to the competitive service (e.g. the Office of the Architect of the Capitol). The NPR acknowledged: ''The Board recognizes that the adoption of these definitions (e.g., competitive and excepted services], consistent with the mandate of section 225 [of the CAA], yields an unusual result in that no ''covered employee'' in the Legislative Branch currently satisfies the definition of ''competitive service.'' Moreover, as the substantive protections of veterans'' preference in Legislative Branch appointment apply only to ''competitive service' positions, the regulations which the Board proposes regarding preference in appointment would with one noted exception [employees appointed under the Architect of the Capitol Human Resources Act], currently apply to no one. . . .'' This left the Board in the position of drafting intricate regulations that may have applied to only a minority of ''covered employees,'' or perhaps even to no ''covered employees'' at all—a result in obvious tension with the VEOA's statutory mandate that these veterans' protections ''shall apply'' to ''covered employees'' in the Legislative Branch.

The Board received Comments to its initial proposed regulations from the Office of the Architect of the Capitol, the Office of House Employment Counsel, and the Office of the Senate Chief Counsel for Employment, all finding fault with the initial approach. The Comments generally included the following observations. First, commenting offices noted that the Board's approach of drafting intricate regulations that may not apply to any covered employees creates more problems than it solves. This approach was seen as ''impracticable,'' ''obfuscating'' the true sense of the VEOA and what requirements in fact must apply to employing offices; it was seen, in effect, as an attempt to ''place a square peg in a round hole.'' Others charged that the adoption of such regulations went beyond the Board's statutory authorization, and would require, without basis in law, the employing offices to adopt complicated procedures, some governing employment decisions that affected only non-veteran applicants or employees. A commenting office also complained about the application of terms ''foreign and inapplicable'' to its personnel system. Employing offices also submitted that statutes drafted for the Executive Branch competitive service should not apply at all to any Legislative Branch employee.

Furthermore, one employing office commented that such modification of OPM regulations does not constitute an adoption of the ''most relevant regulations,'' as regulations that apply to no covered employees can not possibly be the most relevant regulations applicable. As another commenting office aptly put it, ''Unfortunately, the unintended result could very well be that the underlying principles of the veterans' preference laws would lie fallow while the affected legislative branch entities struggle with the task of adopting civil-service type personnel management systems.'' Comments of the Office of House Employment Counsel, Feb. 6, 2002 at 9. Additionally, all three employing offices argued that the Board should issue three individual sets of regulations (to pertain to the Senate, House, and covered Congressional instrumentalities), rather than one set. Finally, the Office of the Architect of the Capitol also argued that the Architect of the Capitol Human Resources Act did not create a competitive service in the sense of the veterans' preference laws.

How are the regulations being proposed in this Notice different from those regulations which the Board previously proposed? In the period since the initial proposed regulations were issued by the Board of Directors and commented upon by various stakeholders, the Office of Compliance has engaged in extensive informal discussions with various stakeholders across Congress and the Legislative Branch, in an effort to ascertain how best to effect the basic purposes of veterans' employment rights in the Legislative Branch.

After careful consultation and deliberation, the Board is issuing new proposed regulations which differ in many respects from the initial proposed regulations. The new approach is responsive to the clear statutory mandate contained in the VEOA, and to various Comments regarding the initial proposed regulations. This approach also applies insights gained from the informal discussions with stakeholders.

The Board has decided to apply the plain language of the statutory provisions to all covered employees in the Legislative Branch. By doing so, the Board avoids what commenting employing offices styled as the ''anomaly'' of complicated regulations which would practically apply to no employees, an anomaly which not only poorly served the clear Congressional intent that protections ''shall apply to covered employees,'' but which also created confusion for the employing offices.

Not only is application of these rights to all covered employees compelled by the plain language of the statute, the legislative history of the VEOA also clearly indicates that the principles of veterans' preference protections must be applied in the Legislative Branch. The authoritative report of the Senate Committee on Veterans' Affairs (Senate Report 105–340, pages 15 & 17), recognized that the competitive service did not exist in the Legislative Branch, and that 2 U.S.C. 1316a did not require the establishment of such a competitive service. Nonetheless, the Committee noted that veterans' preference principles should be incorporated into the Legislative Branch personnel systems.

For these reasons, the Board is persuaded that Congress, in enacting the VEOA's extension of veterans' employment rights to the Legislative Branch, intended a broad application to all CAA covered employees, except for the staff of those employing offices in the House of Representatives and the Senate which Congress specifically excluded from coverage in section 206a(5) of the CAA (2 U.S.C. §1316a(5)).This result is faithful to the statutory language. Furthermore, the Board has concluded, for the reasons stated above, that the most relevant substantive Executive Branch OPM regulations are at times inapposite to a meaningful implementation of the VEOA in the Legislative Branch, such that a modification of the regulations is necessary for the effective implementation of the rights and protections under the VEOA. As a result, the Office is proposing regulations that reflect the principles of the veterans' preference laws, as discussed by the Senate Committee on Veterans Affairs, without linking such coverage to employees or positions with competitive service status.

Furthermore, the Board has also taken note of the legislative history suggesting that employing offices with employees covered by the VEOA should create systems incorporating these veterans' preference principles: ''The Committee notes that the requirement that veterans' preference principles be extended to the legislative and judicial branches does not mandate the creation of civil service-type evaluation or scoring systems by these hiring entities. It does require, however, that they create systems that are consistent with the underlying principles of veterans' preference laws.'' Sen. Comm. Report at 17. The implementation of that provision in the Senate Report can only be accomplished by the employing offices.

In their Comments, employing offices strongly expressed their need to preserve their autonomy in determining and administering their respective personnel systems. For example, the Office of the Architect of the Capitol commented that it was incumbent upon the employing offices to create ''systems that are consistent with the underlying principles of veterans'' preference laws,'' pursuant to the Senate Committee Report. The Board agrees, and the newly proposed regulations allow employing offices to do so. What the regulations also do is clearly define the ''underlying principles of veterans'' preference laws'' made applicable to these employing offices, so as to provide a benchmark for the employing offices, applicants, and covered employees, as to whether the systems developed are consistent with these principles.

What is the approach taken by these revamped proposed substantive regulations? The Board has taken great heed to avoid the intricate, OPM-like regulations that formed the basis for its first proposed regulations. Under the current proposed regulations, employing offices will retain their wide latitude, not similarly enjoyed by many employing agencies in the Executive Branch, to devise and administer their own unique and often flexible personnel systems. However, employing offices with covered employees must incorporate into these individual personnel systems the basic veterans' preference protections under the specific statutory mandate that Congress issued in the VEOA, and they must carry out the administration of these veterans' preference provisions in a manner consistent with the Board's commitment to promoting administrative transparency and accountability.

Under this approach, employing offices with the specified covered employees must meet the requirements contained in the statutory mandate of the VEOA, but need not necessarily adopt any of the trappings of an OPM-like personnel system. Thus, should such an employing office choose to administer numeric evaluations of applicants for a position, it must add to a preference eligible's evaluation the points called for in the veterans' preference statutes. If it does not numerically evaluate applicants, it must determine how it will factor veterans' preference status into its employee evaluations and hiring decisions at a level commensurate with the statutory directive. Similarly, should an employing office currently have a policy of placing covered employees who may be potentially subject to a reduction in force on a retention register, it must rank said employees taking into account the directives of the veterans' preference statute. Should an employing office elect not to keep formal retention registers, nothing in these regulations requires it to start doing so. It still must, however, follow the statutory mandate to provide certain veterans' preferences in the course of a reduction in force that affects employees covered by the VEOA.

The goal of preserving employing office autonomy in fashioning personnel systems has

further compelled the Board to minimize the impact of these proposed regulations on employment decisions not directly involving preference eligibles. Thus, unlike the initial proposed regulations, should an employing office properly determine that no preference eligibles are qualified applicants, or that no preference eligibles are subject to a RIF, these proposed regulations are designed so as not to govern the employment decisions taken by the employing office. By allowing for such employing office autonomy, the Board hopes to allay the concerns of some of the employing offices, expressed in the initial Comments, that a ''morass'' of intricate regulations would apply to decisions that did not affect preference eligibles. (One isolated, but necessary exception to this approach limiting the effect of the regulations to personnel actions involving preference eligibles is proposed §1.115, governing the transfer of functions between one employing office and another, and the replacement of one employing office by another. This section provides protections for all covered employees, as the term is defined and limited in the VEOA, including non-preference eligibles. The clear statutory language of 5 U.S.C. §3503 (applying to both the competitive and excepted services) commands this result. Congress chose to include this broad statutory provision in the set of provisions made applicable to the Legislative Branch in the VEOA.)

The overall discretion and autonomy reserved to employing offices to administer veterans' preference protections within the context of their personnel systems comes with a responsibility on the part of the employing offices to provide all applicants for covered positions and all covered employees with certain notice and informational rights, as discussed below. This is to ensure that employing offices are equipped with all information necessary to determine and administer veterans' preference eligibility and that such applicants and employees are properly informed of how their employing office has chosen to give life to the veterans' preference protections.

In sum, should an employing offices already use personnel policies and procedures similar to those in the competitive service, it must factor in the various veterans' preference protections with respect to applicants for covered positions and covered employees. If an employing office chooses to follow more flexible, or merely different, personnel policies from those referenced in the competitive service, it may do so—but may not refuse to apply the veterans' preferences called for in the statute. This would contravene the clear statutory directive to affirmatively apply the veterans' preference protections to the specified covered employees in the Legislative Branch.

In proposing these regulations, the Board has sought to remain faithful to the explicit statutory language of the VEOA. In some cases, we have been guided by OPM veterans' preference implementing regulations. In many cases, ''for good cause shown,'' we have not adopted the OPM regulations so as to tailor simpler and more streamlined regulations. We have issued proposed regulations based on the direct statutory language whenever possible, reserving implementation to the individual employing offices, who then are charged with crafting their own processes and procedures for integrating veterans' preference protections within their personnel systems.

Therefore, in accord with 2 U.S.C.1316a(4)(B), which mandates that ''the Board may determine, for good cause shown and stated . . . a modification of such regulations would be more effective for the implementation of the rights and protections under this section,'' these proposed regulations may not track the most relevant substantive regulations applicable with respect to the Executive Branch. However, the proposed regulations endeavor, to the maximum practical extent, to effect the veterans' preference principles that Congress made applicable to the Legislative Branch through section 206a(2) of the CAA, 2 U.S.C. §1316a(2).

What responsibilities would employing offices have in effectively implementing these regulations? The Board is charging the employing offices with the responsibility of duly factoring the veterans' preference principles into their individualized hiring and retention processes. We will require that such measures be substantive and verifiable. Otherwise, VEOA implementation would be illusory and the Office's remedial responsibility under 2 U.S.C.1316a(3) might be compromised.

Therefore, the proposed regulations would require that all employing offices with covered employees or seeking applicants for covered positions develop a written program, within 120 days of the Congressional approval of the regulations, setting forth each employing office's modality for effecting the veterans' preference principles in its hiring and retention systems. These programs would demonstrate each employing office's efforts to comply with the VEOA. However, technical promulgation of such procedures does not per se relieve an employing office of substantive compliance with the VEOA.

Similarly, Subpart E of the proposed regulations contains various important provisions governing recordkeeping, dissemination of VEOA policies, written notice prior to a RIF, and informational requirements regarding veterans' preference determinations. Certain of these provisions (notably that requiring written notice prior to a RIF) derive directly from statutory provisions made applicable to covered employees by the VEOA. The Board has adopted others so as to ensure that the employing offices, which have significant autonomy and discretion in integrating the veterans' preference requirements into their personnel systems, administer the preferences in a way that promotes accountability and transparency. In response to the earlier Comments of the employing offices, however, the Board has refrained from adopting more burdensome procedural requirements, such as keeping formal retention registers (see 5 CFR §351.505).

Are there substantive differences in the proposed regulations for the House of Representatives, the Senate, and the other employing offices? No. The Board of Directors has identified no ''good cause'' for varying the text of these regulations. Therefore, if these proposed regulations are approved as proposed, there will be one text applicable to all employing offices and covered employees.

Are these proposed substantive regulations available to persons with disabilities in an alternate format? This Notice of Proposed Regulations is available on the Office of Compliance web site, www.compliance.gov, which is compliant with section 508 of the Rehabilitation Act of 1973 as amended, 29 U.S.C. 794d. This Notice can also be made available in large print or Braille. Requests for this Notice in an alternative format should be made to: Alma Candelaria, Deputy Executive Director, Office of Compliance, 110 2nd Street, S.E., Room LA–200, Washington, D.C. 20540; 202–724–9226; TDD: 202–426–1912; FAX: 202–426–1913.

30 Day Comment Period Regarding the Proposed Regulations

How can I submit comments regarding the proposed regulations? Comments regarding the proposed new regulations of the Office of Compliance set forth in this NOTICE are invited for **a period of thirty (30) days** following the date of the appearance of this NOTICE in the *Congressional Record*. In addition to being posted on the Office of Compliance's section 508 compliant web site (www.compliance.gov) this NOTICE is also available in the following alternative formats: Large Print, Braille. Requests for this NOTICE in an alternative format should be made to: Bill Thompson, Executive Director, or Alma Candelaria, Deputy Executive Director, Office of Compliance, at 202–724–9250 (voice) or 202–426–1912 (TDD).

Submission of comments must be made in writing to the Executive Director, Office of Compliance, 110 Second Street, S.E., Room LA–200, Washington, D.C. 20540–1999. It is requested, but not required, that an electronic version of any comments be provided on an accompanying computer disk. Comments may also be submitted by facsimile to the Executive Director at 202–426–1913 (a non-toll-free number.) Those wishing to receive confirmation of the receipt of their comments must provide a self-addressed, stamped post card with their submission.

Copies of submitted comments will be available for review on the Office's web site at www.compliance.gov, and at the Office of Compliance, 110 Second Street, S.E., Washington, D.C. 20540–1999, on Monday through Friday (non-Federal holidays) between the hours of 9:30 a.m. and 4:30 p.m.

Supplementary Information: The Congressional Accountability Act of 1995 (CAA), PL 104–1, was enacted into law on January 23, 1995. The CAA applies the rights and protections of 11 federal labor and employment statutes to covered employees and employing offices within the Legislative Branch of Government. The CAA was amended by adding 2 U.S.C. 1316a as part of the enactment of the Veterans' Employment Opportunities Act of 1998 (VEOA), PL 105–339, section 4(c), to provide additional substantive employment rights for veterans. Those additional rights are the subject of these regulations. Section 301 of the CAA (2 U.S.C. 1381) establishes the Office of Compliance as an independent office within the Legislative Branch.

More Detailed Discussion of the Text of the Proposed Regulations

SUBPART A—MATTERS OF GENERAL APPLICABILITY TO ALL REGULATIONS PROMULGATED UNDER SECTION 4 OF THE VEOA

1.101 Purpose and scope. This section clarifies that the purpose of these regulations is to ensure that the principles of the veterans' preference laws are integrated into the employing offices' existing employment and retention policies and processes, as per the explicit statutory mandate contained in the VEOA. Additionally, through these regulations, the Board seeks to fulfill its goal of achieving transparency in the application of veterans' preference in covered appointment and retention decisions.

Finally, it is noted that nothing in these regulations shall be construed to require an employing office to reduce any existing veterans' preference rights and protections that it may currently afford to preference eligible individuals. Any employing agencies that currently provide greater veterans' preferences than required by these regulations may retain them. Note also that, while the VEOA does not directly cover the GAO, GPO, or Library of Congress, should Congress extend Board jurisdiction over any of these entities in the future, it should take their existing veterans' preference policies into account, which may be based on independent statutory mandates. Note, for example, that 31 U.S.C. §732(h)(1) already mandates that the GAO must afford veterans' preferences

(largely similar to those in subchapter I of chapter 35 of title 5 U.S.C.).

1.102 General definitions. This section provides straightforward definitions of key terms referred to in the regulations. Several of the definitions are derived from the statutory provisions made applicable via the VEOA, including ''veteran,'' from 5 U.S.C. §2108(1), ''disabled veteran'' from 5 U.S.C. §2108(2), and ''preference eligible'' from 5 U.S.C. §2108(3). It also contains several other definitions included for explanatory purposes.

The term ''appointment'' is defined as an individual's appointment to employment in a covered position. Consistent with the OPM regulations in 5 C.F.R. §211.102(c), the term excludes inservice placement actions such as promotions. The term ''covered employee'' follows the language of section 101(3) of the CAA, as limited by section 4(c)(5) of the VEOA. Section 4(c)(5) of the VEOA excludes employees whose appointment is made by a committee or subcommittee of either House of Congress. The Board believes this statutory exclusion extends to joint committees and has expressly excluded such employees from the definition of ''covered employee''.

The term ''qualified applicant,'' while not directly originating in the text of U.S.C. Title V, is used to capture the principle in 5 U.S.C. §3309 that only a preference eligible applicant who has received a passing grade in an examination or evaluation for entrance into the competitive service need receive additional points accorded to his or her application (except for certain ''restricted'' positions, discussed below). ''Qualified applicant'' is borrowed from the Americans with Disabilities Act (''ADA,'' 42 U.S.C. §12101 et seq.) as applied by section 102(a)(3) of the CAA, 2 U.S.C. §1302(a)(3). The ADA's reference to ''requisite skill, experience, education and other minimum job-related requirements'' has been shortened to ''requisite minimum job-related requirements,'' as not every job may require a particular level of acquired skill, experience, or education.

As will be discussed further, we are not requiring an employing office to establish any particular prerequisites or type of evaluation or examination system for applicants. Instead, the term ''qualified applicant'' serves as a means of implementing the statutory mandate that only preference eligible applicants with ''passing scores'' receive preference in the hiring process in the context of appointment processes that do not involve ''scoring'' or similar numeric evaluation.

Where the employing office does not use a numerically scored entrance examination or evaluation, we have authorized the employing office to make the determination of whether the applicant is minimally ''qualified'' for a covered position. In doing so, the employing office may rely on any job-related requirements or on any evaluation system, formal or otherwise, which it chooses to employ in assessing and rating applicants for covered positions, provided that the employing office in no way seeks to create or manipulate a standard as to whether an applicant is ''qualified'' so as to avoid obligations imposed upon it by the VEOA.

If, however, the employing office uses an entrance examination or evaluation that is numerically scored, the term ''qualified applicant'' shall mean that the applicant has obtained a passing score on the examination or evaluation. The Board notes that it expects the level of ''passing scores'' to be roughly comparable to that in the OPM regulations (70 points on a 100 point scale; 5 CFR §337.101). We are not requiring employing offices to administer entrance exams at all, or to model an exam or the grading thereof after OPM's models. However, employing offices may not set the bar on a scored entrance examination or evaluation for a covered position so high that minimally qualified preference eligible applicants cannot pass. Moreover, the determination of what will constitute a ''passing score'' should be made and communicated to applicants before they are evaluated or sit for the entrance examination.

1.103 Adoption of regulations. This section details the process by which the regulations shall be adopted. It also clarifies that, as discussed extensively in the prefatory comments, supra, the Board has at times deviated from the regulations which otherwise were most applicable, i.e. the regulations issued by OPM implementing these selected provisions of U.S.C. Title V. When the Board has so deviated from the OPM regulations, it has done so in an effort to implement the statutory language of the VEOA in a way that respects the autonomy of employing offices' personnel systems and avoids placing undue administrative burdens upon these offices, and that otherwise respects the legislative intent of the VEOA.

1.104 Coordination with section 225 of the Congressional Accountability Act. This section notes that the VEOA requires that regulations promulgated are consistent with section 225 of the CAA. These proposed regulations are consistent with section 225; the regulations follow CAA principles contained therein, including applying CAA definitions and exemptions, and reserving enforcement through CAA procedures, rather than through recourse to the Executive Branch.

SUBPART B—VETERANS' PREFERENCE—GENERAL PROVISIONS

1.105 Responsibility for administration of veterans' preference. This section clarifies that employing offices have responsibility for administering veterans' preference, within the parameters of the VEOA and these regulations.

1.106 Procedures for bringing claims under the VEOA. This section establishes the procedures for contesting an adverse determination.

SUBPART C—VETERANS' PREFERENCE IN APPOINTMENTS

1.107 Veterans' preference in appointments to restricted covered positions. The VEOA makes 5 U.S.C. §3310 applicable to the Legislative Branch, thereby extending an absolute preference to veterans who apply for the positions of guard, elevator operator, messenger and custodian. Despite concerns raised by certain employing offices regarding the singling out of these particular positions, the Board may not ignore the statutory requirement that veterans who apply for them be afforded an absolute preference over non-veteran applicants.

We have based our definitions of the restricted position terms ''guards,'' ''elevator operators,'' ''custodians,'' and ''messengers,'' upon the definitions employed in the veterans'' preference context by the U.S. Office of Personnel Management in its ''Delegated Examining Operations Handbook.'' See http://www.opm.gov/deu/Handbook_2003. The definitions of custodian and messenger have been modified to include a ''primary duty'' requirement, to allow the performance of some custodial or messenger duties in positions having other primary duties without transforming those positions into restricted positions.

1.108 Veterans' preference in appointments to non-restricted covered positions. This section clarifies that preference eligible status is an affirmative factor in the hiring process for covered positions. The requirement that preference eligible status be applied as an ''affirmative factor'' is derived from the directive of the VEOA that the underlying principles of the veterans' preference laws be applied within the Legislative Branch.

Where an employing office assigns points to applicants competing for appointment to a covered position, it should add commensurate points for veterans' preference eligible applicants consistent with 5 U.S.C. §3309, one of the sections made applicable to the Legislative Branch by the VEOA. Should the office choose not to conduct formal evaluations on a point scale, it must apply veterans' preference as an affirmative factor, to a degree consistent with the level of preference applied in 5 U.S.C. §3309.

In no way does this require the creation of any particular type of system of examining or evaluating applicants, and an employing office may properly choose to not assign points at all to applications for covered positions. Rather, this regulation merely states that, whatever system the employing office uses to choose among qualified applicants for a covered position, it must accord a level of preference to preference eligible qualified applicants consistent with the point system indicated in the statute. Thus, the preference must be comparable to affording an additional 5 or 10 points (depending on the status of the preference eligible) on a 100 point scale to qualified applicants, while understanding that under such a point system the applicant must have attained at least 70 points to be considered qualified. (OPM provides a scale for converting other point scales (5 point, 10 point, 25 point, etc.) to a 100-point scale.)

Section 1.108 applies to both restricted and non-restricted positions. While restricted positions are limited to preference eligibles (should there be preference eligible applicants), in the event that more than one preference eligible applies, the employing office should apply the requirement in this section to provide a higher preference to a disabled preference eligible. Thus, 5 U.S.C. §3310, while restricting certain positions to preference eligibles (so long as preference eligibles are available), does not except these positions from this requirement in 5 U.S.C. §3309 to provide higher preference to a disabled preference eligible applicant.

1.109 Crediting experience in appointments to covered positions. This language is taken from 5 CFR §337.101(c), which interprets 5 U.S.C. §3311, one of the sections made applicable to the Legislative Branch by the VEOA. We have elected to use the regulatory language as it is more clearly written, and serves to better guide employing offices than does the direct statutory text. The statutory and regulatory provisions are laid out below for an easy comparison:

SEC. 3311. PREFERENCE ELIGIBLES; EXAMINATIONS; CREDITING EXPERIENCE

In examinations for the competitive service in which experience is an element of qualification, a preference eligible is entitled to credit—

(1) for service in the armed forces when his employment in a similar vocation to that for which examined was interrupted by the service; and

(2) for all experience material to the position for which examined, including experience gained in religious, civic, welfare, service, and organizational activities, regardless of whether he received pay therefor.

5 U.S.C. §3311

(c) When experience is a factor in determining eligibility, OPM shall credit a preference eligible with:

(1) Time spent in the military service (i) as an extension of time spent in the position in which he was employed immediately before his entrance into the military service, or (ii) on the basis of actual duties performed in

the military service, or (iii) as a combination of both methods. OPM shall credit time spent in the military service according to the method that will be of most benefit to the preference eligible.

(2) All valuable experience, including experience gained in religious, civic, welfare, service, and organizational activities, regardless of whether pay was received therefor.

5 CFR §337.101(c). Section 1.109 does not require an employing office to consider experience as an element of qualification, but only requires that preference eligibles be afforded credit for certain experience if the employing office chooses to do so. Also, section 1.109 does not preclude an employing office from granting credit for experience to non-preference eligibles, so long as the credit afforded preference eligibles complies with the VEOA. Note also that section 1.109 of these proposed regulations applies equally to restricted and non-restricted positions.

Section 1.110 Waiver of physical requirements in appointments to covered positions. This section contains language derived directly from 5 U.S.C. §3312, one of the sections made applicable to the Legislative Branch by the VEOA. It requires an employing office to waive physical requirements for a position if it determines, after considering any recommendations of an accredited physician that may be submitted by such an applicant, that he or she is physically able to perform efficiently the duties of the position. Note that OPM has chosen to promulgate regulations interpreting 5 U.S.C. §3312 which make clear that: ''[A]gencies must waive a medical standard or physical requirement established under this part when there is sufficient evidence that an applicant or employee, with or without reasonable accommodation, can perform the essential duties of the position without endangering the health and safety of the individual or others.''

5 CFR 339.204. The Board does not believe that these proposed regulations are the proper vehicle for issuing regulations concerning the Americans with Disabilities Act (''ADA,'' 42 U.S.C. §12101 et seq.) as applied by section 102(a)(3) of the CAA, 2 U.S.C. §1302(a)(3). Therefore, section 1.110(a)(2) tracks the statutory language rather than the OPM regulation. It also clarifies that the employing office need consider a recommendation of an accredited physician only if such a recommendation is submitted by the preference eligible.

The Board does note, however, that Congress passed the ADA subsequent to the veterans' preference protections contained in 5 U.S.C. §3312, and that, under the ADA as applied by the CAA, employing offices may have obligations towards applicants that may in some circumstances be greater than the protections accorded preference eligible applicants in 5 U.S.C. §3312. For example, these regulations do not relieve employing offices from complying with the restrictions imposed on disability-based inquiries under the ADA but, as is discussed in the comments to section 1.118, recognize that an employing office may use information obtained through voluntary self-identification of one's disabled status. Accordingly, the Board has made clear in section 1.110 that nothing in this section shall relieve an employing office of any greater obligation it may have pursuant to the ADA.

SUBPART D—VETERAN'S PREFERENCE IN REDUCTIONS IN FORCE

1.111 Definitions applicable in reductions in force. This section provides definitions of several terms used in the regulations applying veterans' preference principles in the context of reductions in force. Unless clearly stated otherwise, the general definitions in proposed regulation 1.102 continue to apply in the context of reductions in force. For example, as used in the proposed reduction in force regulations, the term ''covered employee'' excludes employees whose appointment is made by a Member of Congress or by a committee or subcommittee of either House of Congress or a joint committee of the House of Representatives and the Senate and other employees excluded under the proposed regulation 1.202(f). The term ''reduction in force'' has been defined to encompass actions that result in termination of employment, reductions in grade or demotions expected to continue for more than 30 days. This definition derives from OPM regulations, which clearly interpret 5 U.S.C. §3502 to include demotions and include the requirement that the personnel action be for more than 30 days [5 CFR §351.201 (a)(2)], and from the statutory provisions of the VEOA that charge the Board to follow OPM's regulations except where the Board may determine that a modification of those regulations would be more effective for the implementation of the rights and protections under the VEOA. Caselaw interpreting the veterans' preference laws also indicates that the inclusion of demotions in what constitutes a reduction in force stems from statutory, not just regulatory, language. (See, e.g., AFGE Local 1904 v. Resor, 442 F. 2d 993, 994 (3rd Cir. 1971); Alder v. U.S., 129 Ct. Cl. 150 (1954).)

5 U.S.C. §3501, which has been included in the CAA through Section (c)(2) of the VEOA, contains special definitions for determining whether an employee is a ''preference eligible'' for purposes of applying veterans' preference in reductions in force. The definitions that appear in section 1.111(b) of the regulations are taken directly from the statutory language in 5 U.S.C. §3501. Note, however, that these definitions do not apply to the application of the provisions of 5 U.S.C. §3504 (and section 1.114 of these regulations) regarding the waiver of physical requirements in determining qualifications for retention. In that context, the definition of ''preference eligible'' set forth in 5 U.S.C. §2108 (and section 1.102(o) of the Board's regulations) shall apply.

As discussed below, 5 U.S.C. §3502(c) provides that preference eligibles are entitled to retention over other ''competing employees''. In the Executive Branch, the question of who are ''competing employees'' is answered by reference to detailed and rather complex retention registers that Executive Branch agencies are required to maintain. (See, e.g., 5 CFR §351.203, 5 CFR §351.404 and 5 CFR §351.501.) The Comments to our initial proposed regulations noted that few if any employing offices in the Legislative Branch maintain retention registers, and that many of the OPM regulations regarding retention registers rely on personnel practices and systems that do not exist in the Legislative Branch.

In keeping with our new approach to the implementation of the VEOA, these regulations do not impose a requirement that an employing office create or maintain OPM-like retention registers but instead provide a framework for determining groups of ''competing employees'' for purposes of applying retention preferences as mandated by 5 U.S.C. §3502(c). In this respect, the Board has determined that several of the terms in the OPM regulations may be used to implement the concept of ''competing employees'' in the Legislative Branch without imposing Executive Branch personnel practices or systems: generally, ''competing covered employees'' are the covered employees within a particular ''position classification or job classification,'' at or within a particular ''competitive area''.

The definition of ''position classification or job classification'' is derived from OPM's basic definition of ''competitive level'' in 5 CFR §351.403(a)(1). The remaining regulations in 5 CFR §351.403(a)(2)–(4), (b)(1)–(5) and (c)(1)–(4) prescribe the manner in which an Executive Branch agency may determine a covered employee's competitive level. While some of these rules could be adopted in the Legislative Branch, others are clearly inapplicable. The Board has decided not to adopt these portions of the OPM regulations in order to provide employing offices with a great amount of flexibility in determining an employee's ''position classification or job classification''. This is in keeping with our understanding that the personnel systems used by employing offices within the Legislative Branch vary significantly from those used in the Executive Branch. This flexibility is, of course, subject to the understanding that such determinations may not be manipulated in order to avoid the employing office's obligations under the VEOA.

The definition of ''competitive area'' more closely tracks OPM's definition of the same term in 5 CFR §351.402. We note that the OPM regulations define ''competitive area'' in terms of an agency's ''organizational units'' and ''geographical locations''. The Board is not adopting OPM definitions or descriptions of these terms, but will allow employing offices flexibility in applying these concepts to their own organizational structure. The Board has retained the OPM requirement that the minimum competitive area be a department or subdivision ''under separate administration''. In this respect, ''separate administration'' is not considered to require that the administration of a proposed competitive area has final authority to hire and fire but that it has the authority to administer the day to day operations of the department or subdivision in question.

The OPM regulations incorporate the term ''tenure'' in their definition of ''competitive group.'' We have used the term in our definition of ''position classification or job classification'' because the statutory language in 5 U.S.C. §3502 identifies ''tenure'' as a factor that will override veterans' preference in determining employee retention in a reduction in force. However, we have not adopted OPM's definition of tenure, as it is tied to Executive Branch service classifications that do not exist in the Legislative Branch. See 5 CFR 351.501. Instead, the use of the term ''tenure'' in these definitions refers only to the type of appointment. For example, an employing office may choose to make ''tenure'' distinctions between permanent and temporary employees, probationary and non-probationary employees, etc. By referring to ''permanent'' positions, we are referring to jobs that are not limited in advance to a specific temporal duration. Nothing in these Comments and Regulations is intended to address the ''at-will'' status of any covered position.

The Chief Counsel for the Senate noted, in her Comments to the prior proposed regulations, that the Senate does not employ the concept of ''tenure''. If an employing office chooses not to make such distinctions, nothing in these regulations requires it to do so. If the office does, that is one of the factors in the constitution of the ''position classifications or job classifications''. Again, the Board notes that an employing office should not manipulate the creation of tenure so as to avoid its obligations under the VEOA.

We have also included a definition of ''undue interruption'' that is taken directly from the definition of the same term in the OPM regulations, 5 CFR §351.203. The term is used in determining whether various jobs should be included within the same ''position classification'' or ''job classification,'' and is

meant to strike a balance between the interests of employing offices in retaining employees who will be able to perform the jobs remaining after a reduction in force, and the interests of preference eligibles whose jobs are being eliminated in remaining employed. OPM struck this balance by generally suggesting that an employee should be able to perform or ''complete'' required work within 90 days of being placed in the position, and the Board considers this time period to be appropriate in the Legislative Branch as well. For example, this protection against ''undue interruption'' would apply if a preference eligible would have to complete a training program of more than 90 days in order to safely and efficiently perform the covered position to which he or she would otherwise be transferred as a result of a RIF. Finally, we note that, since ''undue interruption'' is an affirmative defense, an employing office has the burden of raising it and proving that an employee may not perform work without ''undue interruption'' by objectively quantifiable evidence.

1.112 Application of reductions in force to veterans' preference eligibles. The crux of this regulation derives from 5 U.S.C. §3502(c), which provides:

An employee who is entitled to retention preference and whose performance has not been rated unacceptable under a performance appraisal system implemented under chapter 43 of this title is entitled to be retained in preference to other competing employees. (Emphasis added.)

This provision is the statutory lynchpin underlying veterans' preferences in RIF's. The statutory language in section 3502(c) above in effect requires the employing office to terminate covered employees subject to a RIF in inverse order of their veterans' preference status, within the appropriate group of covered employees with similar jobs, so long as the employees' performance has not been rated unacceptable. Under section 3502(c), a preference eligible covered employee (without an unacceptable performance appraisal) must be retained in preference to non-preference eligibles—even if the other covered employees in the group in fact have greater length of service or more favorable performance evaluations.

A separate provision in 5 U.S.C. §3502(a) requires Executive Branch agencies to give ''due effect'' to four factors: tenure, veterans'' preference, length of service, and performance or efficiency evaluations. OPM has promulgated regulations addressing these four factors, but which also incorporate the concept that, within the group of employees competing for retention, appropriate veteran's preference status is a factor that may override other factors such as length of service and performance or efficiency evaluations. (''Tenure,'' as discussed below, is factored in to the group of employees within which employees compete for retention during a RIF.)

Case law has also made abundantly clear that section 3502(c) requires that this preference eligible status ''trumps'' the ''due effect'' given to length of service and performance. Courts have interpreted the separate requirement under section 3502(a) to give ''due effect'' to these four enumerated factors as being relevant to retention determinations between two preference eligibles, or between two non-preference eligibles—and *not* relevant to retention determinations between a preference eligible and a non-preference eligible. *Hilton v. Sullivan*, 334 U.S. 323, 335, 336 (1948). The Board has chosen not to explicitly require that length of service or performance or efficiency evaluations be taken into account during RIF's—only that, if they are, veterans' preference remains the controlling factor in making retention decisions within ''position or job classifications'' in a competitive area (assuming other appropriate requirements are also met).

Federal courts have interpreted the present statutory language of section 3502(c) as providing preference eligible employees with an ''absolute preference,'' although only within the confines of their competing group. *Dodd v. TWA*, 770 F. 2d 1038, 1041 (Fed. Cir. 1985); see also *McKee v. TWA*, 1999 LEXIS 25663 at *5 (Fed. Cir. 1999) (unpublished). Additionally, the source of this key language in §3502(c), the Veterans' Preference Act of 1944 (in turn deriving from a series of historical statutes and executive orders, commencing in 1865), and the legislative history of this Act indicate that the section 3502(c) predecessor language was considered the ''heart of the section''. *Hilton v. Sullivan*, 334 U.S. 323, 338 (1948). To this effect, courts have interpreted §3502(c) (or its predecessor under the Veterans' Preference Act of 1944) as overriding such factors as length of service when considering retention standing. *Hilton v. Sullivan*, 334 U.S. at 335, 336, 339 (noting that ''Congress passed the bill with full knowledge that the long standing absolute retention preference of veterans would be embodied in the Act;'' *Elder v. Brannan*, 341 U.S. 277, 285 (1951). Thus, courts have interpreted section 3502(c) as requiring preference to be given to a minimally qualified preference eligible, within his or her competing group, regardless of the preference eligible's length of service or performance in comparison to non-preference eligibles.

To follow this clear statutory directive, the Board has decided that veterans' preference shall be the ''controlling'' factor (provided that the covered employee's performance was not rated unacceptable), in an employment decision taken within ''position or job classifications'' in ''competitive areas,'' as discussed in the Comments to section 1.111 of these proposed regulations, regardless of such factors as length of service or performance or efficiency ratings. Restricting the veterans' preference to RIF's taken within ''position or job classifications'' in ''competitive areas'' provides important limitations on the scope of the preference accorded. As noted above, the preference eligible does not normally compete for retention against all covered employees of an employing office; the definitional terms in section 1.111 restrict the scope of competition only to covered employees in similar occupational groupings (with the further qualification that the preference eligible must perform the position in question without ''undue interruption''(see discussion regarding section 1.111 of these proposed regulations)); in certain facilities involved; and with similar ''tenure,'' or employment status (such as, for example, whether the employee is a permanent or probationary employee). Note that OPM regulations incorporate the concept of ''tenure'' into the definition of ''competing group''; covered employees only compete for retention against co-workers of the same tenure type. As noted in the Comments to section 1.111 of these proposed regulations, employing offices may or may not incorporate the concept of ''tenure,'' and may choose not to make such distinctions as permanent, temporary, or probationary employees. Nothing in these proposed regulations requires employing offices to adopt such distinctions.

Another qualification on the veterans' preference as a ''controlling factor'' is that the preference eligible employee's performance must not have been rated ''unacceptable.'' While 5 U.S.C. §3502(c) contains a reference to performance appraisal systems implemented under 5 U.S.C. §4301 et seq., we are not requiring employing offices to implement a performance appraisal system following 5 U.S.C. §4301 et seq. An employing office may continue to use its own methods for evaluating covered employees and appraising performance, and need not adopt any formal policy regarding performance appraisal. However, the Board notes that employing offices should not manipulate performance appraisals or evaluations so as to avoid obligations under the VEOA.

Another significant qualification on this regulation is that it only governs retention decisions in so far as they affect preference eligible covered employees. In no way does it govern decisions that do not affect preference eligible covered employees; in such cases, an employing office is free to make whatever determinations it so chooses, provided that these determinations are consistent with any other applicable law, and are not used to avoid responsibilities imposed by the VEOA. (Of course, an employing office with covered employees must disseminate information regarding its VEOA policy to covered employees, so as to allow for self-identification of preference eligibles. Furthermore, the notice required by section 1.120 of these regulations will allow covered employees who have not been identified as preference eligibles to assert that status before the RIF becomes effective.) Nor does the regulation require the keeping of formal retention registers, as OPM (and these regulations, as initially proposed) generally requires. However, an employing office must preserve any records kept or made regarding these retention decisions, as detailed in Subpart E of these proposed regulations.

Note also that the Board has included the provision that a preference eligible covered employee who is a ''disabled veteran'' under section 1.102(h) above, who has a compensable service-connected disability of 30 percent or more, and whose performance has not been rated unacceptable by an employing office is entitled to be retained in preference to other preference eligibles. This provision derives from 5 U.S.C. §3502(b), which provides a higher level of preference to certain disabled preference eligibles with regard to other preference eligibles.

Finally, the Board notes that this section does not relieve an employing office of any greater obligation it may be subject to pursuant to the Worker Adjustment and Retraining Notification Act (29 U.S.C. §2101 et seq.) as applied by section 102(a)(9) of the CAA, 2 U.S.C. §1302(a)(9), which would of course apply to all employees covered by the CAA, not only to preference eligible employees covered by the VEOA.

1.113 Crediting experience in reductions in force. This section closely follows 5 U.S.C. §3502(a), one of the sections made applicable to the Legislative Branch by the VEOA, requiring the employing office to provide preference eligible covered employees with credit for certain specified forms of prior service as the office calculates ''length of service'' in the context of a RIF. This provision in no way requires an employing office to utilize ''length of service'' as a factor in its retention decisions regarding employees in the event that the RIF decision does not impact any preference eligible covered employees.

1.114 Waiver of physical requirements—retention. This provision closely follows 5 U.S.C. §3504, one of the sections made applicable to the Legislative Branch by the VEOA, requiring that, when making decisions regarding employee retention during a RIF, an employing office must waive physical requirements for a job for preference eligibles in certain specified circumstances. As discussed in the Comments to section 1.110, nothing in this regulation relieves an employing office of any greater obligation it may have pursuant to the Americans with

Disabilities Act (42 U.S.C. §12101 et seq.) as applied by section 102(a)(3) of the CAA, 2 U.S.C. §1302(a)(3).

1.116 Transfer of functions. The language in this section derives from 5 U.S.C. §3503, one of the sections made applicable to the Legislative Branch by the VEOA, requiring covered employees to be transferred to another employing office in the event of a transfer of functions from one employing office to the other, or in the event of the replacement of one employing office by another employing office. The Board expects that employing offices shall coordinate any such transfers in a way that respects both the requirements of this regulation and, to the greatest extent possible, the employing offices' own personnel systems and policies. This section is one of the rare instances where an employing office must follow the regulation even in the event that the personnel action taken does not involve any preference eligible covered employees; however, the clear statutory language of 5 U.S.C. §3503 requires such a result.

Employees and employing offices are reminded that the definition of ''covered employee'' in these proposed regulations does not include employees appointed by a Member of Congress, a committee or subcommittee of either House of Congress, or a joint committee of the House of Representatives and the Senate. *See* proposed regulation 1.102(f)(bb). Therefore, proposed regulation 1.116 will not apply to any such employees affected by the election of new Members of Congress or the transfer of jurisdiction from one committee to another.

SUBPART E: ADOPTION OF VETERANS' PREFERENCE POLICIES, RECORDKEEPING & INFORMATIONAL REQUIREMENTS

We note that, of the six sections in this Subpart, only section 1.120 derives directly from statutory language. The other sections are borrowed from various other employment statutes, and are promulgated pursuant to the authority granted the Board by section 4(c)(4)(A) of the VEOA because they are considered necessary to the implementation of the VEOA. For example, the informational regulations in sections 1.120 and 1.121 are derived from informational regulations promulgated under the Family and Medical Leave Act, which provides employers with some flexibility in determining how the FMLA will be implemented within their own workforce. The Board is strongly committed to transparency as a policy matter. Moreover, for the VEOA rights to become meaningful, applicants for covered positions and covered employees will have to participate in ensuring that this system works properly, since employing offices are permitted to have flexibility in determining their policies, and the Board will not be taking the same active role in policing the veterans' preference requirements that OPM takes in the Executive Branch.

We also note that while this approach differs from OPM's, it reflects the far greater flexibility that employing offices have to tailor substantive requirements to their existing personnel systems and imposes less burdensome obligations on employing offices than that which is imposed on executive agencies: under our regulatory approach, employing offices will have reduced procedural burdens in that they will not be subject to the more detailed requirements of keeping formal retention registers, to the more highly regulated requirements regarding employee access to files (see e.g., 5 CFR §293.101 et seq., 5 CFR §297.101 et seq., and 5 CFR §351.505(b)), or to examining or evaluating applicants on a 100-point scale, seeking prior OPM approval of RIF's, etc.

Section 1.116 Adoption of veterans' preference policy. As noted at the outset of these Comments, the regulations will require each employing office that employs one or more covered employees or seeks applicants for covered positions to develop, within 120 days of the Congressional approval of the regulations, a written program or policy setting forth that employing office's methods for implementing the VEOA's veterans' preference principles in the employing office's hiring and retention systems. Employing offices that have no employees covered by the VEOA are not required to adopt such a policy or program.

Because these regulations afford the employing offices a great amount of flexibility in determining how to implement veterans' preference within their own personnel systems, it is imperative that the methods chosen by the employing offices be reduced to writing and disseminated to covered applicants and employees. This will further the goals of accountability and transparency, as well as consistency in the application of the employing office's veterans' preference procedures. An existing policy may be amended or replaced by the employing office from time to time, as it deems necessary or appropriate to meet changing personnel practices and needs. We note, however, that the employing office's policy or program will at all times remain subject to the requirements of the VEOA and these regulations. Accordingly, while the adoption of a policy or program will demonstrate the employing office's efforts to comply with the VEOA, it will not relieve an employing office of substantive compliance with the VEOA.

Sections 1.117 Preservation of records kept or made. The requirements set forth in this section are derived from OPM regulations regarding retention of RIF records, 5 CFR §351.505, and EEOC regulations regarding the preservation of personnel and employment records kept or made by employers, 29 CFR §1602.14. This section requires that relevant records be retained for one year from the date of the making of the record or the date of the personnel action involved or, if later, one year from the date on which the applicant or employee is notified of the personnel action. In addition, where a claim has been brought under section 401 of the CAA against an employing office under the VEOA, the respondent employing office must preserve all personnel records relevant to the claim until final disposition of the claim.

Section 1.118 Dissemination of veterans' preference policies to applicants for covered positions. Section 1.118 requires that employing offices must furnish information to applicants for covered positions before appointment decisions are made. Before these decisions are made, it is important that applicants be given the opportunity to self-identify themselves as preference eligibles, and that they receive information regarding the employing office's policies and procedures for implementing the VEOA, in order to ensure that they are aware of the VEOA obligations that may apply to their situation. Accordingly, the regulations require that information regarding the employing office's policies and procedures for implementing the VEOA in appointments be furnished to applicants at various stages when the employing office is hiring into covered positions. We note that inviting applicants to voluntarily self-identify as a disabled veteran for purposes of the application of an employing office's veterans' preference policies, as outlined in the proposed regulation, is consistent with the EEOC's ADA *Enforcement Guidance: Preemployment Disability-Related Questions and Medical Examinations* (EEOC Oct. 10, 1995).

This requirement does not prevent an employing office from appropriately modifying its veterans' preference policies when it sees fit to do so, but is intended to ensure that applicants will be made aware of the employing office's then-current policies and procedures. The requirement that an employing office allow applicants a ''reasonable time'' to provide information regarding their veterans' preference status is intentionally flexible. If an employing office must fill a covered position within a matter of days, one working day may be a ''reasonable time'' for submission of the information. However, if the employing office's appointment process is more prolonged, more time should be allowed.

Sections 1.119 and 1.120 Dissemination of information of veterans' preference policies to covered employees, and notice requirements applicable in RIFs. It is also important that covered employees receive information regarding the employing office's policies and procedures for implementing the VEOA in connection with RIFs, in order to ensure that they are aware of the VEOA obligations that may apply to that situation. Accordingly, section 1.119 requires that information regarding the employing office's policies and procedures for implementing the VEOA in appointments be disseminated through employee handbooks, if the employing office has covered employees and ordinarily distributes such handbooks to those employees, or through any other written policy or manual that the employing office may distribute to covered employees concerning their employee rights or reductions in force.

The notice requirements attendant to a RIF are set out separately in section 1.120 of the regulations. These regulations derive from the express statutory language in 5 USC §3502(d) and (e), which have been applied to the Legislative Branch by the VEOA. The language of section 3502(d) and (e) has been modified in section 1.120 to be consistent with the terms and approach used in the rest of these regulations. Among other changes, section 1.120 refers to ''covered employees'' and the provision in 5 U.S.C. §3502(e) that the ''President'' may shorten the 60 day advance notice period to 30 days has been changed to the ''director of the employing agency.'' Additionally, the provision regarding Job Training Partnership Act notice has been omitted. The requirement to inform the employee of the place where he or she may inspect regulations and records pertaining to this case derives from 5 CFR §351.802(a)(3).

The statutory language requiring notice of ''the employee's ranking relative to other competing employees, and how that ranking was determined'' has been modified to require that the notice state whether the covered employee is preference eligible and that the notice separately state the ''retention status'' (i.e., whether the employee will be retained or not) and preference eligibility of the other covered employees in the same job or position classification within the covered employee's competitive area. The Board is not requiring the keeping of retention registers or the ranking of employees within a job or position classification affected by a RIF. However, the statutory language clearly compels employing offices to provide employees who will be adversely affected by a reduction in force with advance notice of how and why the agency decided to subject that particular employee to the reduction in force. At a minimum, this includes whether the affected employee has preference eligible status, and an objective indication why the employee was not retained in relation to other employees in the affected position classifications or job classifications.

Section 1.121 Informational requirements regarding veterans' preference determinations. Once an appointment or reduction in force decision has been made, it is important that applicants for covered positions and

covered employees receive information regarding the employing office's decision, in order to ensure that the rights and obligations created by the VEOA may be effectively enforced under the CAA as contemplated by section 4(c)(3)(B) of the VEOA. Accordingly, section 1.121 of the regulations requires that certain limited information regarding the employing office's decision be made available to applicants for covered positions and to covered employees, upon request.

Proposed Substantive Regulations

PART 1—Extension of Rights and Protections Relating to Veterans' Preference Under Title 5, United States Code, to Covered Employees of the Legislative Branch (section 4(c) of the Veterans Employment Opportunities Act of 1998)

SUBPART A—MATTERS OF GENERAL APPLICABILITY TO ALL REGULATIONS PROMULGATED UNDER SECTION 4 OF THE VEOA

Sec.
1.101 Purpose and scope.
1.102 Definitions.
1.103 Adoption of regulations.
1.105 Coordination with section 225 of the Congressional Accountability Act.

SEC. 1.101 PURPOSE AND SCOPE

(a) Section 4(c) of the VEOA. The Veterans Employment Opportunities Act (VEOA) applies the rights and protections of sections 2108, 3309 through 3312, and subchapter I of chapter 35 of title 5 U.S.C., to certain covered employees within the Legislative Branch.

(b) Purpose and scope of regulations. The regulations set forth herein are the substantive regulations that the Board of Directors of the Office of Compliance has promulgated pursuant to section 4(c)(4) of the VEOA, in accordance with the rulemaking procedure set forth in section 304 of the CAA (2 U.S.C. §1384). The purpose of subparts B, C and D of these regulations is to define veterans' preference and the administration of veterans' preference as applicable to Federal employment in the Legislative Branch. (5 U.S.C. §2108, as applied by the VEOA). The purpose of subpart E of these regulations is to ensure that the principles of the veterans' preference laws are integrated into the existing employment and retention policies and processes of those employing offices with employees covered by the VEOA, and to provide for transparency in the application of veterans' preference in covered appointment and retention decisions. Provided, nothing in these regulations shall be construed so as to require an employing office to reduce any existing veterans' preference rights and protections that it may afford to preference eligible individuals.

SEC. 1.102 DEFINITIONS

Except as otherwise provided in these regulations, as used in these regulations:

(a) Act or CAA means the Congressional Accountability Act of 1995, as amended (Pub. L. 104–1, 109 Stat. 3, 2 U.S.C. §§1301–1438).

(b) Active duty or active military duty means full-time duty with military pay and allowances in the armed forces, except (1) for training or for determining physical fitness and (2) for service in the Reserves or National Guard.

(c) Appointment means an individual's appointment to employment in a covered position, but does not include inservice placement actions such as promotions.

(d) Armed forces means the United States Army, Navy, Air Force, Marine Corps, and Coast Guard.

(e) Board means the Board of Directors of the Office of Compliance.

(f) Covered employee means any employee of (1) the House of Representatives; (2) the Senate; (3) the Capitol Guide Board; (4) the Capitol Police Board; (5) the Congressional Budget Office; (6) the Office of the Architect of the Capitol; (7) the Office of the Attending Physician; and (8) the Office of Compliance, but does not include an employee (aa) whose appointment is made by the President with the advice and consent of the Senate; (bb) whose appointment is made by a Member of Congress or by a committee or subcommittee of either House of Congress or a joint committee of the House of Representatives and the Senate; or (cc) who is appointed to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code). The term covered employee includes an applicant for employment in a covered position and a former covered employee.

(g) Covered position means any position that is or will be held by a covered employee.

(h) Disabled veteran means a person who was separated under honorable conditions from active duty in the armed forces performed at any time and who has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pensions because of a public statute administered by the Department of Veterans Affairs or a military department.

(i) 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.

(j) Employee of the Capitol Police Board includes any member or officer of the Capitol police.

(k) Employee of the House of Representatives includes an individual occupying a position the pay of 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 (f) above nor any individual described in subparagraphs (aa) through (cc) of paragraph (f) above.

(l) 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 (f) above nor any individual described in subparagraphs (aa) through (cc) of paragraph (f) above.

(m) 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, and the Office of Compliance.

(n) Office means the Office of Compliance.

(o) Preference eligible means veterans, spouses, widows, widowers or mothers who meet the definition of ''preference eligible'' in 5 U.S.C. §2108(3)(A)–(G).

(p) Qualified applicant means an applicant for a covered position whom an employing office deems to satisfy the requisite minimum job-related requirements of the position. Where the employing office uses an entrance examination or evaluation for a covered position that is numerically scored, the term ''qualified applicant'' shall mean that the applicant has received a passing score on the examination or evaluation.

(q) Separated under honorable conditions means either an honorable or a general discharge from the armed forces. The Department of Defense is responsible for administering and defining military discharges.

(r) Uniformed services means the armed forces, the commissioned corps of the Public Health Service, and the commissioned corps of the National Oceanic and Atmospheric Administration.

(s) VEOA means the Veterans Employment Opportunities Act of 1998 (Pub. L. 105–339, 112 Stat. 3182).

(t) Veteran means persons as defined in 5 U.S.C. §2108, or any superseding legislation.

SEC. 1.103 ADOPTION OF REGULATIONS

(a) Adoption of regulations. Section 4(c)(4)(A) of the VEOA generally authorizes the Board to issue regulations to implement section 4(c). In addition, section 4(c)(4)(B) of the VEOA directs the Board to promulgate regulations that are ''the same as the most relevant substantive regulations (applicable with respect to the Executive Branch) promulgated to implement the statutory provisions referred to in paragraph (3)'' of section 4(c) of the VEOA. Those statutory provisions are section 2108, sections 3309 through 3312, and subchapter I of chapter 35, of title 5, United States Code. The regulations issued by the Board herein are on all matters for which section 4(c)(4)(B) of the VEOA 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 (applicable with respect to the Executive Branch) promulgated to implement the statutory provisions referred to in paragraph (3)'' of section 4(c) of the VEOA that need be adopted.

(b) Modification of substantive regulations. As a qualification to the statutory obligation to issue regulations that are ''the same as the most substantive regulations (applicable with respect to the Executive Branch),'' section 4(c)(4)(B) of the VEOA authorizes the Board to ''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'' section 4(c) of the VEOA.

(c) Rationale for Departure from the Most Relevant Executive Branch Regulations. The Board concludes that it must promulgate regulations accommodating the human resource systems existing in the Legislative Branch; and that such regulations must take into account the fact that the Board does not possess the statutory and Executive Order based government-wide policy making authority underlying OPM's counterpart VEOA regulations governing the Executive Branch. OPM's regulations are designed for the competitive service (defined in 5 U.S.C. §2102(a)(2)), which does not exist in the employing offices subject to this regulation. Therefore, to follow the OPM regulations would create detailed and complex rules and procedures for a workforce that does not exist in the Legislative Branch, while providing no VEOA protections to the covered Legislative Branch employees. We have chosen to propose specially tailored regulations, rather than simply to adopt those promulgated by OPM, so that we may effectuate Congress' intent in extending the principles of the veterans' preference laws to the Legislative Branch through the VEOA.

SEC. 1.104 COORDINATION WITH SECTION 225 OF THE CONGRESSIONAL ACCOUNTABILITY ACT

Statutory directive. Section 4(c)(4)(D) of the VEOA requires that promulgated regulations must be consistent with section 225 of

the CAA. Among the relevant provisions of section 225 are subsection (f)(1), which prescribes as a rule of construction that definitions and exemptions in the laws made applicable by the CAA shall apply under the CAA, and subsection (f)(3), which states that the CAA shall not be considered to authorize enforcement of the CAA by the Executive Branch.

SUBPART B—VETERANS' PREFERENCE—GENERAL PROVISIONS

Sec.
1.105 Responsibility for administration of veterans' preference.
1.106 Procedures for bringing claims under the VEOA.

SEC. 1.105 RESPONSIBILITY FOR ADMINISTRATION OF VETERANS' PREFERENCE

Subject to Section 1.106, employing offices are responsible for making all veterans' preference determinations, consistent with the VEOA.

SEC. 1.106 PROCEDURES FOR BRINGING CLAIMS UNDER THE VEOA

Applicants for appointment to a covered position and covered employees may contest adverse veterans' preference determinations, including any determination that a preference eligible is not a qualified applicant, pursuant to sections 401–416 of the CAA, 2 U.S.C. §§1401–1416, and provisions of law referred to therein; 206a(3) of the CAA, 2 U.S.C. §§1401, 1316a(3); and the Office's Procedural Rules.

SUBPART C—VETERANS' PREFERENCE IN APPOINTMENTS

Sec.
1.107 Veterans' preference in appointments to restricted covered positions.
1.108 Veterans' preference in appointments to non-restricted covered positions.
1.109 Crediting experience in appointments to covered positions.
1.110 waiver of physical requirements in appointments to covered positions

SEC. 1.107 VETERANS' PREFERENCE IN APPOINTMENTS TO RESTRICTED POSITIONS

In each appointment action for the positions of custodian, elevator operator, guard, and messenger (as defined below and collectively referred to in these regulations as restricted covered positions) employing offices shall restrict competition to preference eligibles as long as preference eligibles are available. The provisions of sections 1.109 and 1.110 below shall apply to the appointment of a preference eligible to a restricted covered position. The provisions of section 1.108 shall apply to the appointment of a preference eligible to a restricted covered position, in the event that there is more than one preference eligible applicant for the position.

Custodian—One whose primary duty is the performance of cleaning or other ordinary routine maintenance duties in or about a government building or a building under Federal control, park, monument, or other Federal reservation.

Elevator operator—One whose primary duty is the running of freight or passenger elevators. The work includes opening and closing elevator gates and doors, working elevator controls, loading and unloading the elevator, giving information and directions to passengers such as on the location of offices, and reporting problems in running the elevator.

Guard—One who is assigned to a station, beat, or patrol area in a Federal building or a building under Federal control to prevent illegal entry of persons or property; or required to stand watch at or to patrol a Federal reservation, industrial area, or other area designated by Federal authority, in order to protect life and property; make observations for detection of fire, trespass, unauthorized removal of public property or hazards to Federal personnel or property. The term guard does not include law enforcement officer positions of the U.S. Capitol Police Board.

Messenger—One whose primary duty is the supervision or performance of general messenger work (such as running errands, delivering messages, and answering call bells).

SEC. 1.108 VETERANS' PREFERENCE IN APPOINTMENTS TO NON-RESTRICTED COVERED POSITIONS

(a) Where employing offices opt to examine and rate applicants for covered positions on a numerical basis they shall add points to the earned ratings of those preference eligibles who receive passing scores in an entrance examination, in a manner that is proportionately comparable to the points prescribed in 5 U.S.C. §3309.

(b) In all other situations involving appointment to a covered position, employing offices shall consider veterans' preference eligibility as an affirmative factor that is given weight in a manner that is proportionately comparable to the points prescribed in 5 U.S.C. §3309 in the employing office's determination of who will be appointed from among qualified applicants.

SEC. 1.109 CREDITING EXPERIENCE IN APPOINTMENTS TO COVERED POSITIONS

When considering applicants for covered positions in which experience is an element of qualification, employing offices shall provide preference eligibles with credit:

(a) for time spent in the military service (1) as an extension of time spent in the position in which the applicant was employed immediately before his/her entrance into the military service, or (2) on the basis of actual duties performed in the military service, or (3) as a combination of both methods. Employing offices shall credit time spent in the military service according to the method that will be of most benefit to the preference eligible.

(b) for all experience material to the position for which the applicant is being considered, including experience gained in religious, civic, welfare, service, and organizational activities, regardless of whether he/she received pay therefor.

SEC. 1.110 WAIVER OF PHYSICAL REQUIREMENTS IN APPOINTMENTS TO COVERED POSITIONS

(a) Subject to (c) below, if an employing office determines, on the basis of evidence before it, that an applicant for a covered position is preference eligible, the employing office shall waive in determining whether the preference eligible applicant is qualified for appointment to the position:

(1) requirements as to age, height, and weight, unless the requirement is essential to the performance of the duties of the position; and

(2) physical requirements if, in the opinion of the employing office, on the basis of evidence before it, including any recommendation of an accredited physician submitted by the preference eligible, the preference eligible is physically able to perform efficiently the duties of the position;

(b) Subject to (c) below, if an employing office determines that, on the basis of evidence before it, an otherwise qualified applicant who is a preference eligible described in 5 U.S.C. §2108(3)(c) who has a compensable service-connected disability of 30 percent or more is not able to fulfill the physical requirements of the covered position, the employing office shall notify the preference eligible of the reasons for the determination and of the right to respond and to submit additional information to the employing office, within 15 days of the date of the notification. Should the preference eligible make a timely response the employing office, at the highest level within the employing office, shall render a final determination of the physical ability of the preference eligible to perform the duties of the position, taking into account the response and any additional information provided by the preference eligible. When the employing office has completed its review of the proposed disqualification on the basis of physical disability, it shall send its findings to the preference eligible.

(c) Nothing in this section shall relieve an employing office of any greater obligation it may have pursuant to the Americans with Disabilities Act (42 U.S.C. §12101 et seq.) as applied by section 102(a)(3) of the CAA, 2 U.S.C. §1302(a)(3).

SUBPART D—VETERAN'S PREFERENCE IN REDUCTIONS IN FORCE

Sec.
1.111 Definitions applicable in reductions in force.
1.112 Application of preference in reductions in force.
1.113 Crediting experience in reductions in force.
1.114 Waiver of physical requirements in reductions in force.
1.115 Transfer of functions.

SEC. 1.111 DEFINITIONS APPLICABLE IN REDUCTIONS IN FORCE

(a) Competing covered employees are the covered employees within a particular position or job classification, at or within a particular competitive area, as those terms are defined below.

(b) Competitive area is that portion of the employing office's organizational structure, as determined by the employing office, in which covered employees compete for retention. A competitive area must be defined solely in terms of the employing office's organizational unit(s) and geographical location, and it must include all employees within the competitive area so defined. A competitive area may consist of all or part of an employing office. The minimum competitive area is a department or subdivision of the employing office under separate administration within the local commuting area.

(c) Position classifications or job classifications are determined by the employing office, and shall refer to all covered positions within a competitive area that are in the same grade, occupational level or classification, and which are similar enough in duties, qualification requirements, pay schedules, tenure (type of appointment) and working conditions so that an employing office may reassign the incumbent of one position to any of the other positions in the position classification without undue interruption.

(d) Preference Eligibles. For the purpose of applying veterans' preference in reductions in force, except with respect to the application of section 1.114 of these regulations regarding the waiver of physical requirements, the following shall apply:

(1) ''active service'' has the meaning given it by section 101 of title 37;

(2) ''a retired member of a uniformed service'' means a member or former member of a uniformed service who is entitled, under statute, to retired, retirement, or retainer pay on account of his/her service as such a member; and

(3) a preference eligible covered employee who is a retired member of a uniformed service is considered a preference eligible only if—

(A) his/her retirement was based on disability—

(i) resulting from injury or disease received in line of duty as a direct result of armed conflict; or

(ii) caused by an instrumentality of war and incurred in the line of duty during a period of war as defined by sections 101 and 1101 of title 38;

(B) his/her service does not include twenty or more years of full-time active service, regardless of when performed but not including periods of active duty for training; or

(C) on November 30, 1964, he/she was employed in a position to which this subchapter applies and thereafter he/she continued to be so employed without a break in service of more than 30 days.

The definition of ''preference eligible'' as set forth in 5 U.S.C §2108 and section 1.102(o) of these regulations shall apply to waivers of physical requirements in determining an employee's qualifications for retention under section 1.114 of these regulations.

(e) Reduction in force is any termination of a covered employee's employment or the reduction in pay and/or position grade of a covered employee for more than 30 days and that may be required for budgetary or workload reasons, changes resulting from reorganization, or the need to make room for an employee with reemployment or restoration rights. This does not encompass terminations or other personnel actions predicated upon performance, conduct or other grounds attributable to an employee.

(f) Undue interruption is a degree of interruption that would prevent the completion of required work by a covered employee 90 days after the employee has been placed in a different position under this part. The 90-day standard should be considered within the allowable limits of time and quality, taking into account the pressures of priorities, deadlines, and other demands. However, a work program would generally not be unduly interrupted even if a covered employee needed more than 90 days after the reduction in force to perform the optimum quality or quantity of work. The 90-day standard may be extended if placement is made under this part to a program accorded low priority by the employing office, or to a vacant position. An employing office has the burden of proving ''undue interruption'' by objectively quantifiable evidence.

SEC. 1.112 APPLICATION OF PREFERENCE IN REDUCTIONS IN FORCE

Prior to carrying out a reduction in force that will affect covered employees, employing offices shall determine which, if any, covered employees within a particular group of competing covered employees are entitled to veterans' preference eligibility status in accordance with these regulations. In determining which covered employees will be retained, employing offices will treat veterans' preference as the controlling factor in retention decisions among such competing covered employees, regardless of length of service or performance, provided that the preference eligible employee's performance has not been rated unacceptable. Provided, a preference eligible who is a ''disabled veteran'' under section 1.102(h) above who has a compensable service-connected disability of 30 percent or more and whose performance has not been rated unacceptable by an employing office is entitled to be retained in preference to other preference eligibles. Provided, this section does not relieve an employing office of any greater obligation it may be subject to pursuant to the Worker Adjustment and Retraining Notification Act (29 U.S.C. §2101 et seq.) as applied by section 102(a)(9) of the CAA, 2 U.S.C. § 1302(a)(9).

SEC. 1.113 CREDITING EXPERIENCE IN REDUCTIONS IN FORCE

In computing length of service in connection with a reduction in force, the employing office shall provide credit to preference eligible covered employees as follows:

(a) a preference eligible covered employee who is not a retired member of a uniformed service is entitled to credit for the total length of time in active service in the armed forces;

(b) a preference eligible covered employee who is a retired member of a uniformed service is entitled to credit for:

(1) the length of time in active service in the armed forces during a war, or in a campaign or expedition for which a campaign badge has been authorized; or

(2) the total length of time in active service in the armed forces if he is included under 5 U.S.C. §3501(a)(3)(A), (B), or (C); and

(c) a preference eligible covered employee is entitled to credit for:

(1) service rendered as an employee of a county committee established pursuant to section 8(b) of the Soil Conservation and Allotment Act or of a committee or association of producers described in section 10(b) of the Agricultural Adjustment Act; and

(2) service rendered as an employee described in 5 U.S.C. §2105(c) if such employee moves or has moved, on or after January 1, 1966, without a break in service of more than 3 days, from a position in a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard to a position in the Department of Defense or the Coast Guard, respectively, that is not described in 5 U.S.C. §2105(c).

SEC. 1.114 WAIVER OF PHYSICAL REQUIREMENTS IN REDUCTIONS IN FORCE

(a) If an employing office determines, on the basis of evidence before it, that a covered employee is preference eligible, the employing office shall waive:

(1) requirements as to age, height, and weight, unless the requirement is essential to the performance of the duties of the position; and

(2) physical requirements if, in the opinion of the employing office, on the basis of evidence before it, including any recommendation of an accredited physician submitted by the preference eligible, the preference eligible is physically able to perform efficiently the duties of the position.

(b) If an employing office determines that, on the basis of evidence before it, a preference eligible described in 5 U.S.C. §2108(3)(c) who has a compensable service-connected disability of 30 percent or more is not able to fulfill the physical requirements of the covered position, the employing office shall notify the preference eligible of the reasons for the determination and of the right to respond and to submit additional information to the employing office within 15 days of the date of the notification. Should the preference eligible make a timely response the employing office, at the highest level within the employing office, shall render a final determination of the physical ability of the preference eligible to perform the duties of the covered position, taking into account the evidence before it, including the response and any additional information provided by the preference eligible. When the employing office has completed its review of the proposed disqualification on the basis of physical disability, it shall send its findings to the preference eligible.

(c) Nothing in this section shall relieve an employing office of any greater obligation it may have pursuant to the Americans with Disabilities Act (42 U.S.C. §12101 et seq.) as applied by section 102(a)(3) of the CAA, 2 U.S.C. §1302(a)(3).

SEC. 1.115 TRANSFER OF FUNCTIONS

(a) When a function is transferred from one employing office to another employing office, each covered employee in the affected position classifications or job classifications in the function that is to be transferred shall be transferred to the receiving employing office for employment in a covered position for which he/she is qualified before the receiving employing office may make an appointment from another source to that position.

(b) When one employing office is replaced by another employing office, each covered employee in the affected position classifications or job classifications in the employing office to be replaced shall be transferred to the replacing employing office for employment in a covered position for which he/she is qualified before the replacing employing office may make an appointment from another source to that position.

SUBPART E—ADOPTION OF VETERANS' PREFERENCE POLICIES, RECORDKEEPING & INFORMATIONAL REQUIREMENTS

Sec.

1.116 Adoption of veterans' preference policy.
1.117 Preservation of records made or kept.
1.118 Dissemination of veterans' preference policies to applicants for covered positions.
1.119 Dissemination of veterans' preference policies to covered employees.
1.120 Written notice prior to a reduction in force.
1.121 Informational requirements regarding veterans' preference determinations.

SEC. 1.116 ADOPTION OF VETERANS' PREFERENCE POLICY

No later than 120 calendar days following Congressional approval of this regulation, each employing office that employs one or more covered employees or that seeks applicants for a covered position shall adopt its written policy specifying how it has integrated the veterans' preference requirements of the Veterans Employment Opportunities Act of 1998 and these regulations into its employment and retention processes. Upon timely request and the demonstration of good cause, the Executive Director, in his/her discretion, may grant such an employing office additional time for preparing its policy. Each such employing office will make its policies available to applicants for appointment to a covered position and to covered employees in accordance with these regulations and to the public upon request. The act of adopting a veterans' preference policy shall not relieve any employing office of any other responsibility or requirement of the Veterans Employment Opportunity Act of 1998 or these regulations. An employing office may amend or replace its veterans' preference policies as it deems necessary or appropriate, so long as the resulting policies are consistent with the VEOA and these regulations.

SEC. 1.117 PRESERVATION OF RECORDS MADE OR KEPT

An employing office that employs one or more covered employees or that seeks applicants for a covered position shall maintain any records relating to the application of its veterans' preference policy to applicants for covered positions and to workforce adjustment decisions affecting covered employees for a period of at least one year from the date of the making of the record or the date of the personnel action involved or, if later, one year from the date on which the applicant or covered employee is notified of the personnel action. Where a claim has been brought under section 401 of the CAA against an employing office under the VEOA, the respondent employing office shall preserve all personnel records relevant to the claim until final disposition of the claim. The term ''personnel records relevant to the claim,'' for example, would include records relating to the veterans' preference determination regarding the person bringing the claim and

records relating to any veterans' preference determinations regarding other applicants for the covered position the person sought, or records relating to the veterans' preference determinations regarding other covered employees in the person's position or job classification. The date of final disposition of the charge or the action means the latest of the date of expiration of the statutory period within which the aggrieved person may file a complaint with the Office or in a U.S. District Court or, where an action is brought against an employing office by the aggrieved person, the date on which such litigation is terminated.

1.118 DISSEMINATION OF VETERANS' PREFERENCE POLICIES TO APPLICANTS FOR COVERED POSITIONS

(a) An employing office shall state in any announcements and advertisements it makes concerning vacancies in covered positions that the staffing action is governed by the VEOA.

(b) An employing office shall invite applicants for a covered position to identify themselves as veterans' preference eligibles, provided that in doing so:

(1) the employing office shall state clearly on any written application or questionnaire used for this purpose or make clear orally, if a written application or questionnaire is not used, that the requested information is intended for use solely in connection with the employing office's obligations and efforts to provide veterans' preference to preference eligibles in accordance with the VEOA; and

(2) the employing office shall state clearly that disabled veteran status is requested on a voluntary basis, that it will be kept confidential in accordance with the Americans with Disabilities Act (42 U.S.C. §12101 et seq.) as applied by section 102(a)(3) of the CAA, 2 U.S.C. §1302(a)(3), that refusal to provide it will not subject the individual to any adverse treatment except the possibility of an adverse determination regarding the individual's status as a preference eligible as a disabled veteran under the VEOA, and that any information obtained in accordance with this section concerning the medical condition or history of an individual will be collected, maintained and used only in accordance with the Americans with Disabilities Act (42 U.S.C. §12101 et seq.) as applied by section 102(a)(3) of the CAA, 2 U.S.C. §1302(a)(3).

(c) An employing office shall provide the following information in writing to all qualified applicants for a covered position:

(1) the VEOA definition of veterans' ''preference eligible'' as set forth in 5 U.S.C. §2108 or any superseding legislation, providing the actual, current definition in a manner designed to be understood by applicants, along with the statutory citation;

(2) the employing office's veterans' preference policy or a summary description of the employing office's veterans' preference policy as it relates to appointments to covered positions, including any procedures the employing office shall use to identify preference eligible employees;

(3) the employing office may provide other information to applicants, but is not required to do so by these regulations.

(d) Except as provided in this subparagraph, the written information required by paragraph (c) must be provided to all qualified applicants for a covered position so as to allow those applicants a reasonable time to respond regarding their veterans' preference status.

(e) Employing offices are also expected to answer applicant questions concerning the employing office's veterans' preference policies and practices.

SEC. 1.119 DISSEMINATION OF VETERANS' PREFERENCE POLICIES TO COVERED EMPLOYEES

(a) If an employing office that employs one or more covered employees or that seeks applicants for a covered position provides any written guidance to such employees concerning employee rights generally or reductions in force more specifically, such as in a written employee policy, manual or handbook, such guidance must include information concerning veterans' preference entitlements under the VEOA and employee obligations under the employing office's veterans' preference policy, as set forth in subsection (b) of this regulation.

(b) Written guidances and notices to covered employees required by subsection (a) above shall include, at a minimum:

(1) the VEOA definition of veterans' ''preference eligible'' as set forth in 5 U.S.C. §2108 or any superseding legislation, providing the actual, current definition along with the statutory citation;

(2) the employing office's veterans' preference policy or a summary description of the employing office's veterans' preference policy as it relates to workforce adjustments; and the procedures the employing office shall take to identify preference eligible employees.

(3) The employing office may include other information in the notice or in its guidances, but is not required to do so by these regulations.

(c) Employing offices are also expected to answer covered employee questions concerning the employing office's veterans' preference policies and practices.

1.120 WRITTEN NOTICE PRIOR TO A REDUCTION IN FORCE

(a) Except as provided under subsection (b), a covered employee may not be released, due to a reduction in force, unless the covered employee and the covered employee's exclusive representative for collective-bargaining purposes (if any) are given written notice, in conformance with the requirements of paragraph (b), at least 60 days before the covered employee is so released.

(b) Any notice under paragraph (a) shall include—

(1) the personnel action to be taken with respect to the covered employee involved;

(2) the effective date of the action;

(3) a description of the procedures applicable in identifying employees for release;

(4) the covered employee's competitive area;

(5) the covered employee's eligibility for veterans' preference in retention and how that preference eligibility was determined;

(6) the retention status and preference eligibility of the other employees in the affected position classifications or job classifications within the covered employee's competitive area;

(7) the place where the covered employee may inspect the regulations and records pertinent to him/her, as detailed in section 1.121(b) below; and

(8) a description of any appeal or other rights which may be available.

(c) (1) The director of the employing office may, in writing, shorten the period of advance notice required under subsection (a), with respect to a particular reduction in force, if necessary because of circumstances not reasonably foreseeable.

(2) No notice period may be shortened to less than 30 days under this subsection.

SEC. 1.121 INFORMATIONAL REQUIREMENTS REGARDING VETERANS' PREFERENCE DETERMINATIONS

(a) Upon written request by an applicant for a covered position, the employing office shall promptly provide a written explanation of the manner in which veterans' preference was applied in the employing office's appointment decision regarding that applicant. Such explanation shall state at a minimum:

(1) Whether the applicant is preference eligible and, if not, a brief statement of the reasons for the employing office's determination that the applicant is not preference eligible. If the applicant is not considered preference eligible, the explanation need not address the remaining matters described in subparagraphs (2) and (3).

(2) If the applicant is preference eligible, whether he/she is a qualified applicant and, if not, a brief statement of the reasons for the employing office's determination that the applicant is not a qualified applicant. If the applicant is not considered a qualified applicant, the explanation need not address the remaining matters described in subparagraph (3).

(3) If the applicant is preference eligible and a qualified applicant, the employing office's explanation shall advise whether the person appointed to the covered position for which the applicant was applying is preference eligible.

(b) Upon written request by a covered employee who has received a notice of reduction in force under section 1.120 above (or his/her representative), the employing office shall promptly provide a written explanation of the manner in which veterans' preference was applied in the employing office's retention decision regarding that covered employee. Such explanation shall state:

(1) Whether the covered employee is preference eligible and, if not, the reasons for the employing office's determination that the covered employee is not preference eligible.

(2) If the covered employee is preference eligible, the employing office's explanation shall include:

(A) a list of all covered employee(s) in the requesting employee's position classification or job classification and competitive area who were retained by the employing office, identifying those employees by job title only and stating whether each such employee is preference eligible,

(B) a list of all covered employee(s) in the requesting employee's position classification or job classification and competitive area who were not retained by the employing office, identifying those employees by job title only and stating whether each such employee is preference eligible, and

(C) a brief statement of the reason(s) for the employing office's decision not to retain the covered employee.

END OF PROPOSED REGULATIONS

HONORING OUR ARMED FORCES

LANCE CORPORAL RICHARD CHAD CLIFTON

Mr. CARPER. Mr. President, I set aside a few moments today to reflect on the life of Marine LCpl Richard Chad Clifton. Chad epitomized the best of our country' s brave men and women who fought to free Iraq and to secure a new democracy in the Middle East. He exhibited unwavering courage, dutiful service to his country, and above all else, honor. In the way he lived his life, and how we remember him, Chad reminds each of us how good we can be.

A resident of Milton, Chad's passing has deeply affected the community. A 2003 graduate of Cape Henlopen High School. Chad was the son of Richard C. and Terri Clifton. Friends, family, and school officials recalled Chad Clifton as smart, funny, laid back, and carefree; an all-around good person. He viewed the Marine Corps as an opportunity to gain life experience. An aspiring writer, Chad said being overseas was providing a reservoir of experiences to write about.