

Schedule employees under section 5304 of title 5, United States Code. The Council's recommendations cover the establishment or modification of locality pay areas, the coverage of salary surveys, the process of comparing Federal and non-Federal rates of pay, and the level of comparability payments that should be paid.

The Council will continue its review of the new metropolitan statistical areas announced by the Office of Management and Budget in June 2003, new commuting pattern data, and other information related to establishing or modifying locality pay area boundaries begun at the Council's September 3, 2003 meeting. The Council anticipates completing its discussion of whether any changes should be recommended in locality pay area boundaries and which geographic locations should be surveyed for locality pay purposes. The Council will also review the results of pay comparisons and formulate its recommendations to the President's Pay Agent on pay comparison methods, locality pay rates, and locality pay area boundaries for 2005. The Council anticipates it will complete its work for this year at this meeting and has not scheduled any additional meetings for 2003. The public may submit written materials about the locality pay program to the Council at the address shown below. The meeting is open to the public.

**DATES:** October 7, 2003, at 1 p.m.

**ADDRESSES:** Office of Personnel Management, 1900 E Street NW., Room 5303 (Pendleton Room), Washington, DC.

**FOR FURTHER INFORMATION CONTACT:**

Donald J. Winstead, Deputy Associate Director for Pay and Performance Policy, Office of Personnel Management, 1900 E Street NW., Room 7H31, Washington, DC 20415-8200. Phone (202) 606-2838; FAX (202) 606-0824; or email at [pay-performance-policy@opm.gov](mailto:pay-performance-policy@opm.gov).

For the President's Pay Agent:

**Kay Cole James,**  
*Director.*

[FR Doc. 03-23687 Filed 9-16-03; 8:45 am]

**BILLING CODE 6325-39-M**

## OFFICE OF PERSONNEL MANAGEMENT

### Personnel Demonstration Project; Alternative Personnel Management System for the U.S. Department of Commerce

**AGENCY:** Office of Personnel  
Management.

**ACTION:** Notice of Amendment to expand coverage of all provisions of the Department of Commerce Personnel Management Demonstration Project to include additional organizations within the Department of Commerce.

**SUMMARY:** Section 4703 of title 5 U.S.C. authorizes the Office of Personnel Management (OPM) to conduct demonstration projects that experiment with new and different human resources management concepts to determine whether changes in policies and procedures result in improved Federal human resources management. OPM approved a demonstration project covering several operating units of the U.S. Department of Commerce (DoC). The Code of Federal Regulations (5 CFR 470.315) requires that modifications to approved demonstration project plans be approved by OPM. This notice proposes to expand the coverage of the demonstration project to include additional organizations within the Department and to increase the number of participants to the legal maximum of 5,000 participants. This notice serves to list all organizations within DoC that will be included in the Demonstration Project during its expansion phase. This notice also lists additional occupational series to be included as part of the expansion. The Department will follow the final plan as published in the **Federal Register** dated December 24, 1997, and the **Federal Register** Notice of Modification dated September 30, 1999, except for minor changes noted in Section III of this **Federal Register** Notice. These changes do not require waivers.

**DATES:** This notice may be implemented October 5, 2003.

**FOR FURTHER INFORMATION CONTACT:**

Department of Commerce: Edward Liverani, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Room 5004, Washington, DC 20230, (202) 482-0272. Office of Personnel Management: Delmar White, U.S. Office of Personnel Management, 1900 E Street, NW., Room 7660, Washington, DC 20415, (202) 606-1578.

**SUPPLEMENTARY INFORMATION:**

#### 1. Background

The Office of Personnel Management (OPM) approved the Department of Commerce (DoC) Demonstration project and published the final plan in the **Federal Register** on Wednesday, December 24, 1997, Volume 62, Number 247, Part II. The project was implemented on March 29, 1998, and modified in the **Federal Register** on Thursday, September 30, 1999, Volume

64, Number 189 (Notices) (Pages 52810-58212.)

OPM approved a request to extend the DoC demonstration project for 5 years as stated in an administrative letter from OPM, dated February 14, 2003. The key features of the project involve increased delegation of authority and accountability to line managers, simplified classification and broad banding, pay for performance, hiring and pay setting flexibilities, and modified Reduction-in-Force (RIF) procedures.

This **Federal Register** Notice covers 1,505 additional employees. Currently, the demonstration project has 2,900 employees. The remaining additional employee slots are being reserved for the near future, pending reorganization. In the event more employees are added up to the maximum limit of 5,000, another **Federal Register** Notice will be published to provide employee notification.

Office of Personnel Management.

**Kay Coles James,**  
*Director.*

#### I. Executive Summary

The Department of Commerce (DoC) demonstration project utilizes many features similar to those implemented by the National Institute of Standards and Technology (NIST) demonstration project in 1988. The DoC project supports several key objectives: To simply the classification system for greater flexibility in classifying work and paying employees; to establish a performance management and rewards system for improving individual and organizational performance; and to improve recruitment and retention to attract highly qualified candidates. The DoC project is designed to test whether the interventions of the NIST project, which is now a permanent alternative system, could be successful in other DoC environments. The current participating organizations include the Technology Administration, the Bureau of Economic Analysis, the Institute for Telecommunication Sciences, and three units of the National Oceanic and Atmospheric Administration: Office of Oceanic and Atmospheric Research, National Marine Fisheries Service, and the National Environmental Satellite, Data, and Information Service.

#### II. Introduction

##### A. Purpose

The Department's personnel demonstration project is designed to provide managers at the lowest organizational level the authority, control and flexibility needed to recruit,