Agency	Contact
Office of the Special Counsel	Jane McFarland, 202–653–9001.
Office of the U.S. Trade Representative	John Hopkins, 202–395–5797.
Selective Service System	Calvin Montgomery, 703–605–4038.
Social Security Administration	Phil Kelly, 410–965–3099.
U.S. Commission for the Preservation of America's Heritage Abroad.	Chris Hill, 202–254–3824.
U.S. Trade and Development Agency	Julie Norton, 703–875–6066 .

Clarence Crawford,

Associate Director for Administration.

[FR Doc. 99–25550 Filed 9–29–99; 8:45 am]

BILLING CODE 3110–01–P

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 modification to Department of Commerce Personnel Management Demonstration Project.

SUMMARY: Title VI of the Civil Service Reform Act, now codified in 5 U.S.C. 4703, 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). 5 CFR 470.315 requires that modifications to approved demonstration project plans be approved by OPM.

This notice announces the following changes to the project plan: (1) Elimination of the assignment of numerical ranks from the performance payout process, (2) expansion of performance-based reduction-in-force (RIF) credit to include employees whose scores are in the top 30 percent of scores in a pay pool, (3) authorization to include clarifying guidance on bonuses in the Demonstration Project Operating Procedures, and (4) addition of a requirement for close-out ratings for demonstration project employees who are promoted or competitively reassigned with a pay adjustment within the last 120 days of the rating cycle.

All other existing provisions of the project plan will continue. Employees will be notified of these changes through distribution of copies of this notice within the participating organizations. Additional briefings and training for supervisors and employees will highlight the changes made by this notice.

DATES: This notice modifying the DoC Demonstration Project is effective September 30, 1999.

FOR FURTHER INFORMATION CONTACT: Department of Commerce: Darlene F. Haywood, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Room 5118, Washington, DC 20230, (202) 482–3620.

OPM: Gary Hacker, U.S. Office of Personnel Management, 1900 E Street, NW., Room 7460, Washington, DC 20415, (202) 606–4212.

SUPPLEMENTARY INFORMATION:

1. Background

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 it is expected to last for 5 years. 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 RIF procedures.

2. Overview

The Departmental Personnel Management Board (DPMB) recently approved four changes to the DoC Demonstration Project. These involve: (1) Eliminating the assignment of numerical ranks as a factor in determining annual pay increases, (2) expansion of RIF credit to include employees whose scores are in the top 30 percent of scores in a pay pool, (3) including clarifying guidance on bonuses in the Demonstration Project Operating Procedures, and (4) adding a requirement for close-out ratings for employees who are promoted or reassigned with a pay adjustment during the last 120 days of the rating cycle. The changes are responsive to concerns raised by employees, supervisors, unions, and one employee organization. In addition to the policy changes, the notice clarifies the pay-setting policy for new hires into supervisory positions.

Office of Personnel Management.

Janice R. Lachance,

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 of the key objectives of the National Performance Review: to simplify 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 recruiting and examining to attract highly qualified candidates and hire them more quickly. The DoC project will test whether the interventions of the NIST project, which is now a permanent system, can be successful in other DoC environments. The 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. Basis for Project Plan Modifications

A. Elimination of the Assignment of Numerical Ranks from the Performance Payout Process

Current policy requires that rating officials rate their employees and submit their recommended ratings and rankings to the pay pool manager. Pay pool managers make final determinations on scores recommended by subordinate rating officials and rank employees within the pay pool. All employees having the same score receive the same rank. Using rankings as a guide, pay pool managers make performance pay decisions for all employees in the pay pool. Within a

pool, an employee may not receive a higher relative pay increase than a higher-ranking employee or a lower relative increase than a lower-ranking employee.

Rankings are a major concern for many employees who believe that assigning numerical rankings to employees fosters divisive competition in the work environment and undermines efforts to promote teamwork. For these reasons, the Departmental Personnel Management Board (DPMB) approved a policy change that eliminates the assignment of numerical ranks as a factor associated with payout decisions. Instead, payout decisions will be tied to the employee's relative score within a pay pool and the pay increase ranges in the performance pay tables.

B. Close-Out Ratings

Under current policy, employees who are promoted or reassigned with a pay adjustment within the last 120 days of the rating cycle are considered unratable. Because they are unratable and receive no performance score, these employees are also ineligible for performance-based RIF credit. Since these employees are typically among the highest-performing employees, denying them the opportunity to earn additional RIF credit is inconsistent with the treatment of other employees under the project.

To ensure equitable treatment of all high-performing employees, the DPMB approved a modification to the project plan to require that supervisors prepare close-out ratings of employees who are promoted or reassigned with a pay adjustment within the last 120 days of the rating cycle. The rating (approved by the responsible pay pool manager) will serve as the rating of record for the current appraisal cycle, and the resulting score will be considered in determining eligibility for RIF credit.

C. Expansion of RIF Credit

Prior to conversion to the demonstration project, employees expressed concern that many high-performing employees would not receive any additional RIF credit under the demonstration project. In response to these concerns, the DPMB expanded the percentage of employees eligible for RIF credit from the top 10 percent to the top 20 percent of scores in a pay pool. This change was effected prior to implementation of the project.

The results of the first performance appraisal cycle indicate that current policy on awarding additional performance-based RIF credit under the project still does not provide a fair and equitable basis for recognizing the value of performance contributions made by many high-performing employees. As a result, some employees whose performance is above average may receive no benefit of performance-based RIF credit. Also, loss of a mechanism for recognizing these employees' valuable contributions through earned RIF credit has created a morale issue.

To address this situation, the DPMB authorized modification of demonstration project policy to further expand RIF credit to encompass all employees whose scores are within the top 30 percent of scores in a pay pool. These employees would earn a total of 10 years of credit for the rating cycle and could accumulate a maximum of 30 years.

D. Clarification of Bonus Criteria

Demonstration project policy requires that bonuses be linked to the annual performance appraisal and that they be awarded at the end of the performance year in conjunction with decisions on pay increases. However, after the first appraisal period, there was no consistency across organizational lines in how bonuses were awarded, and absent any definitive guidance, inconsistency in awarding bonuses will likely be a continuing concern for employees. To ensure greater consistency in the awarding of bonuses, the DPMB authorized the inclusion of guidance on awarding bonuses in the Demonstration Project Operating Procedures.

III. Changes to Project Plan

The following directs readers to the substantive changes and a technical clarification in the project plan. The following page numbers refer to the pages in the final plan, published in the **Federal Register** on December 24, 1997.

A. Page 67451: Revise the first sentence in Paragraph C.3, ''Link Between Performance and Retention,'' as follows:

''An employee with an overall performance score in the top 30 percent of scores within a pay pool (See *Performance Evaluation and Rewards* below.) will be credited with 10 additional years of service for retention credit.''

B. Page 67454: Eliminate references to numerical rankings by modifying the following paragraphs in Section E, ''Performance Evaluation and Rewards:''

1. Modify the first section of Paragraph E.1, ''Introduction,'' as follows:

''The most important feature of the performance evaluation system is that it is based on the application of a weighted 100-point scoring system in support of pay for performance. As in the current system, each employee has an individual performance plan composed of several performance elements. Through application of benchmark performance standards and a 100-point scoring system, pay pool managers grant performance pay increases according to employees' relative scores within a pay pool. High-scoring employees within a pay pool receive relatively high pay increases and lower-scoring employees receive relatively lower pay increases.''

2. Eliminate Paragraph E.9, ''Performance Ranking,'' renumber Paragraph E.10, ''Performance Pay Decisions,'' as Paragraph E.9; renumber Paragraph E.11, ''Performance Bonuses'' as E.10, and E.12, ''Actions Based on Unsatisfactory Performance,'' as E.11. Modify Paragraph E.9, ''Performance Pay Decisions,'' as follows:

9. Performance Pay Decisions

''For all employees in a peer group, rating officials submit recommendations on ratings, scores, performance pay increases, and bonuses to pay pool managers. A pay pool manager is a line manager who manages his or her organization's pay increase and bonus funds. The pay pool manager makes final decisions on ratings and scores and determines the final order of scores for all peer groups in a pay pool.

The Performance Pay Table divides each band into three segments or intervals. Each pay interval is linked to a range of potential percentage pay increases beginning at zero and progressing to a maximum performance pay increase (e.g., 0–10 percent). The maximum pay increase an employee may receive, therefore, depends on the interval into which the employee's salary falls. Based on the final order of scores, the pay pool manager makes a performance pay decision for each employee. The payout to an employee is a percentage of basic salary that is all or a portion of the maximum potential pay increase. This amount is known as the ''relative payout'' or the ''proportion-of-the-range.'' Within a pay pool, an employee may not receive a higher relative payout than a higher-scoring employee or a lower relative payout than a lower-scoring employee.''

C. Page 67454: Add the following to Paragraph E.7, ''Performance Ratings.''

''If an employee is permanently promoted or competitively reassigned (with a pay adjustment) from one demonstration project position to another during the last 120 days of the rating cycle, the supervisor of the position from which the employee was promoted or competitively reassigned

will prepare a ''close-out'' rating within 30 days of the promotion or pay adjustment. This rating (when approved by the responsible pay pool manager over the old position) will serve as the rating of record for the current appraisal cycle, and the resulting score will be used in determining the employee's eligibility for reduction-in-force credit.''

D. Page 67454: Add the following to paragraph E.10, ''Performance Bonuses.''

''Guidance on awarding bonuses is contained in the Demonstration Project Operating Procedures, which are available to all rating officials and to all employees covered by the project.''

E. Technical Clarification

Page 67452: In paragraph D.4, ''Supervisory Performance Pay,'' middle column: Modify the first full paragraph as follows:

''Incumbents of supervisory positions will be converted to the project at their basic pay rates (including special rates or locality pay) at the time of conversion. After the date of conversion, new hires into supervisory positions will have their pay set at any salary within the pay range of the applicable pay band, but not higher than the maximum rate of the pay band.''

[FR Doc. 99–25606 Filed 9–28–99; 2:52 pm]

BILLING CODE 6325–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–24051]

Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

September 24, 1999.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of September, 1999. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., N.W., Washington, DC 20549–0102 (tel. 202–942–8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on October 19, 1999, and should be accompanied by proof of service on the applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Secretary, SEC, 450 Fifth Street, N.W., Washington, DC 20549–0609.

FOR FURTHER INFORMATION CONTACT: Diane L. Titus, at (202) 942–0564, SEC, Division of Investment Management, Office of Investment Company Regulation, 450 fifth Street, N.W., Washington, DC 20549–0506.

PB Series Trust [File No. 811–7911]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On March 31, 1999, applicant made a liquidating distribution to its shareholders at net asset value per share. No expenses were incurred in connection with the liquidation.

Filing Dates: The application was filed on August 10, 1999, and amended on September 16, 1999.

Applicant's Address: 400 West Market Street, Louisville, Kentucky 40202.

Schroder Capital Funds II [File No. 811–7993]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On July 27, 1999, applicant made a liquidating distribution to its sole remaining shareholder based on net asset value. Approximately $5,000 in expenses incurred in connection with the liquidation were paid by applicant.

Filing Dates: The application was filed on August 2, 1999, and amended on September 15, 1999.

Applicant's Address: 787 Seventh Avenue, 34th Floor, New York, New York 10019.

Select Asset Fund, Series, 1, Inc. [File No. 811–7530]

Huron Investment Fund, Inc. [File No. 811–7555]

Select Asset Fund, Series 2, Inc. [File No. 811–7636]

Lernoult Investment Fund, Inc. [File No. 811–8711]

Central Investment Fund, Inc. [File No. 811–8713]

Central Asset Fund, Inc. [File No. 811–8715]

Great Lakes Fund, Inc. [File No. 811–9042]

Summary: Each applicant, a registered closed-end management investment company, seeks an order declaring that it has ceased to be an investment company. On August 27, 1999, each applicant made a final liquidating distribution to its sole common shareholder at net asset value per share. Each applicant's auction market preferred stock and floating rate notes were redeemed in accordance with the terms of the relevant private placement memorandum. Expenses of $15,000 incurred in connection with each liquidation were paid by each applicant.

Filing Dates: Each application was filed on August 30, 1999.

Applicants' Address: c/o Comerica Bank, 411 W. Lafayette, Detroit, Michigan 48226.

United Gold & Government Fund, Inc. [File No. 811–4261]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On June 30, 1999, applicant transferred its assets to United Asset Strategy Fund, Inc. (the ''Acquiring Fund'') based on net asset value per share. Expenses of $89,940 incurred in connection with the reorganization were shared equally by applicant and the Acquiring Fund.

Filing Date: The application was filed on September 9, 1999.

Applicant's Address: 6300 Lamar Avenue, Overland Park, Kansas 66202.

Wayne Hummer Money Fund Trust [File No. 811–3359]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On July 30, 1999, applicant transferred its assets to the Wayne Hummer Money Market Fund series of Wayne Hummer Investment Trust (the ''Acquiring Fund'') based on net asset value. Expenses of approximately $41,000 were incurred in connection with the reorganization, of which Wayne Hummer Management Company, investment adviser to both applicant and the Acquiring Fund, paid $7,500. Applicant and the Acquiring Fund paid the remaining expenses.

Filing Date: The application was filed on September 1, 1999.

Applicant's Address: 300 South Wacker Drive, 15th Floor, Chicago, Illinois 60606.

UBS Investor Portfolios Trust [File No. 811–7553]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On December 21, 1998, applicant, a master fund in a master-feeder structure, made a liquidating distribution to its feeder funds at net asset value per share. All expenses incurred in connection with