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Dated: August 24, 2006.

**Connie M. Downs,**

*OPIC Corporate Secretary.*

[FR Doc. 06-7215 Filed 8-24-06; 1:14pm]

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## 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 Expansion of the 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). OPM has authority to implement new legislation affecting demonstration projects (5 U.S.C. 4703 and 5 CFR 470.101(b) and 470.103). Modifications to the demonstration project plan also require OPM approval (5 CFR 470.315).

As provided for in title II of Public Law 109-108, Department of Commerce and Related Agencies Appropriations Act of 2006, signed November 22, 2005, this notice expands the coverage of the DOC Demonstration Project to include up to 3,500 additional employees in the National Oceanic and Atmospheric Administration (NOAA) increasing the total number of employees in NOAA to 6,925, as well as additional NOAA organizations and locations. This expansion results in the total number of employees covered by the DOC Demonstration Project to 8,500 individuals. This notice also serves to make changes to the plan to accommodate the expansion. These changes include the addition of specific occupational series, Departmental Personnel Management Board composition, and pre-project cost formulas for the NOAA organizations new to the demonstration project as part of the expansion.

**DATES:** This notice expanding the DOC Demonstration Project is effective August 28, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Department of Commerce: Joan Jorgenson, U.S. Department of Commerce, 14th and Constitution Avenue NW., Room 5004, Washington, DC 20230, (202) 482-4233. Office of Personnel Management: Jill Rajae, U.S. Office of Personnel Management, 1900 E Street NW., Washington, DC 20415, (202) 606-0836.

**SUPPLEMENTARY INFORMATION:**

#### 1. Background

The Office of Personnel Management (OPM) approved the DOC Demonstration Project and published the final plan in the **Federal Register** Volume 62, Number 247, Part II, on Wednesday, December 24, 1997. 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 52810-52812] and on Tuesday, August 12, 2003, Volume 68, Number 155 [Notices] [Pages 47948-47949]. 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 project was approved for expansion in the **Federal Register** Volume 68, Number 180 [Notices] [Pages 54505-54507], on Wednesday, September 17, 2003, to include an addition 1,505 employees. The demonstration project was again modified on Tuesday, July 5, 2005, Volume 70, Number 127 [Notices] [Pages 38732-38733]. The demonstration project was again modified on Monday, May 1, 2006, Volume 71, Number 83, [Notices] [Pages 25615-25616] to revise existing authorities for retention, recruitment and relocation allowances.

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 flexibility, and modified reduction-in-force procedures.

#### 2. Overview

This notice serves to list all NOAA organizations and their locations that will be included in the DOC Demonstration Project. This notice also lists additional occupational series that will be included in the DOC Demonstration Project. Additional changes to the plan are made to accommodate the expansion. These changes include composition of the Departmental Personnel Management

Board, pre-project cost formulas for new organizations entering the demonstration project during this expansion phase, and edits to the pay administration provisions to reflect the use of law enforcement officer special base rates under section 403 of the Federal Employees Pay Comparability Act of 1990 (Pub. L. 101-509) for certain law enforcement officers that will be added to the project through this expansion. This notice also incorporates minor changes to the pay administration provisions for consistency with the amendments made to the General Schedule pay-setting rules by the Federal Workforce Flexibility Act of 2004 (Pub. L. 108-411) and OPM's implementing regulations. The Department of Commerce will follow the project plan as published in the **Federal Register** dated December 24, 1997, and subsequent modifications as listed in the Background Section of this notice.

Office of Personnel Management.

**Linda M. Springer,**

*Director.*

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#### 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 Demonstration Project supports several key objectives: 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 Demonstration 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 six offices of the Chief Financial Officer/ Assistant Secretary of Administration in the Office of the Secretary, Technology Administration, the Bureau of Economic Analysis, the Institute for Telecommunication Sciences, and five units of the National Oceanic and Atmospheric Administration: Office of Oceanic and Atmospheric Research, National Marine Fisheries Service, the National Environmental Satellite, Data,

and Information Service, the National Weather Service and the NOAA Office of Program Planning and Integration.

## II. Basis of Project Plan Expansion

### A. Purpose

The DOC Demonstration Project is designed to provide managers at the lowest organizational level, the authority, control and flexibility needed to recruit, retain, develop, recognize and motivate its workforce, while ensuring adequate accountability and oversight. Expansion of the DOC Demonstration Project will allow the Department to broaden the scope of this test to additional organizations with different missions. This should improve the Department assessment of the effectiveness of its interventions in its efforts to compete more effectively for high quality personnel while strengthening the manager's role in human resources management. All provisions of the DOC Demonstration Project plan, as published in the **Federal Register**, dated December 24, 1997, and subsequent published modifications, will apply.

### B. Participating Employees

Employee notification of this expansion proposal is being accomplished by providing a full set of briefings to employees and managers and providing electronic access to all DOC Demonstration Project policies, procedures, evaluations and published **Federal Register** notices on the project plan and subsequent modifications. We will also provide employees with a copy of this proposed **Federal Register** notice upon approval. Subsequent supervisor training and informational briefings for all employees will be accomplished prior to the implementation of the expansion.

### C. Labor Participation

Labor organizations are being separately notified about the project's expansion pertaining to their bargaining unit membership. DOC is proceeding to fulfill its obligation in accordance with 5 U.S.C. 4703(f).

## III. Changes to the Project Plan

### A. Section VII. Project Management

The Departmental Personnel Management Board (DPMB) will expand to include additional board DPMB members representing the new major operating units included in the project. It is the intent of the DOC to ensure the composition of the board DPMB reflects the diversity of employee groups to ensure the objectives of the

demonstration project are achieved in an equitable and consistent manner.

### B. Section V B. Base Cost Assessment

The current plan identifies Fiscal Years (FY) 1994, 1995, and 1996 as the basis of analysis of pre-project costs to determine whether project costs are being maintained at acceptable levels. For those organizations that have never participated in the demonstration project, costs will be computed as annual averages over the past three pre-project fiscal years immediately preceding implementation. For those NOAA organizations that are already part of the demonstration project, costs will continue to be computed using FY 1994–1996.

### C. Section II D. Participating Organizations

The following organizations will be added to the project plan, Section II D Participating Organizations:

Within the National Oceanic and Atmospheric Administration, up to 3,500 new GS/GM employees from the following offices and locations will be added to the DOC Demonstration Project as part of the expansion:

Office of the Under Secretary, non-bargaining unit employees, all locations  
 Office of Program Analysis and Evaluation, all locations  
 Office of Human Resources, all locations  
 Office of Chief Financial Officer, all locations  
 Office of Chief Administrative Officer, non-bargaining unit employees, all locations  
 Office of Sustainable Development, all locations  
 National Ocean Service, non-bargaining unit employees, all locations  
 NOAA Marine and Aviation Office, all locations  
 Within the Office of Oceanic and Atmospheric Research:  
 Climate Program Office, Silver Spring, MD

Within the National Marine Fisheries Service:

Office of Seafood Inspection, non-bargaining unit employees, all locations  
 Office of Law Enforcement, all locations  
 Additional employees in the following organizations:  
 Southeast Fisheries Science Center, all locations  
 Northwest Fisheries Science Center, all locations  
 Alaska Fisheries Science Center, all locations

### D. Section II F. Labor Participation

The following bargaining units are added to Table 4—Bargaining Unit Coverage.

NMAO .....	Norfolk, VA	IBEW Local 80
CFO .....	Boulder, CO	AFGE Local 2186
NMFS—SEFSC.	Miami, FL ...	AFGE Local 2875
	Panama City, FL.	NAGE R—106
NMFS—NWFSC.	All Locations	IPFTE Local 8A
NMFS—AKFSC.	Seattle, WA	IPFTE Local 8A

### E. Section II E. Participating Employees

The following series are added to Table 2:

Scientific and Engineering (ZP) Career Path  
 0415, Toxicology Series  
 0199, Social Science Student Trainee Series  
 Administrative (ZA) Career Path  
 0028, Environmental Protection Specialist Series  
 0199, Social Science Student Trainee Series  
 0399, Administrative Trainee Series  
 0511, Auditing Series  
 1601, General Facilities and Equipment Series  
 1071, Audiovisual Production Series  
 1710, Education and Vocational Training Series  
 1801, General Inspection, Investigation and Compliance Series  
 1811, Criminal Investigating Series  
 1812, Game Law Enforcement Series  
 2003, Supply Program Management Series  
 Support (ZS) Career Path  
 1603, Equipment, Facilities and Services Assistant Series  
 1001, General Arts and Information Series  
 0119, Economics Assistant Series

F. This section provides changes to the project plan to accommodate law enforcement officer special base rates and the recent changes to the General Schedule pay administration rules. The following page numbers refer to the pages of the project plan, published December 24, 1997, in the **Federal Register**.

(1) Page 67448: Section III.A.3. In third sentence, insert “under 5 U.S.C. 5305” after first “special rate”. After third sentence, insert “For a law enforcement officer (LEO) covered by special base rates under section 403 of the Federal Employees Pay Comparability Act of 1990 (section 529 of Public Law 101–509, November 5, 1990, as amended), when the minimum or maximum grade in the LEO's band is any one of grades GS–3 through GS–10 (e.g., ZA Bands I and II), the band's minimum and maximum rate of pay will be set for that LEO using applicable

LEO special base rates, as adjusted by the applicable locality payment.”

(2) Page 67452: Section III.D.5.—In the first sentence, insert “LEO special base rate,” after “GS rate.”

(3) Page 67452: Section III.D.6. In the second sentence, insert “GS base” after “maximum” and “or LEO special base rates” before “of each band”. In the third sentence, insert “under 5 U.S.C. 5305” after “special rates”.

(4) Page 67452: Section III.D.7. Replace “special salary rate” with “special rate” throughout paragraph 7. In the first sentence, insert “under 5 U.S.C. 5305” before “will be used”. In the second sentence, replace “5 CFR 530.303” with “5 CFR 530.304”.

(5) Page 67453: Section III.D.13. In the second sentence, insert “GS base rate, LEO special base rate,” before “locality rate” in the parenthetical.

(6) Page 67453: Section III.D. 14. In the second sentence, insert “GS base rate, LEO special base rate,” before “locality rate” in the parenthetical.

(7) Page 67455: Section IV.A.1. In the first sentence, insert “or LEO special base schedule” after “GS base schedule” in the parenthetical.

(8) Page 67455: Section IV.B.2. In the first sentence, insert “or LEO special base schedule” after “GS base schedule” in the parenthetical.

(9) Page 67455: Section IV.B.3. In the third sentence, insert “or LEO special base rate” after “GS base rate”. Delete the last parenthetical.

(10) Page 67455—67456: Section IV.B.5. Delete all text in paragraph 5. after the first sentence.

(11) Page 67456: Section IV.B.6. In the second sentence, replace “GS rate” with “GS rates” and delete “of basic pay (or converted special rate, if applicable)”.

(12) Page 67456: Section IV.C. Replace last sentence with “(See 5 CFR 531.407(b) for additional information on equivalent increase determinations.)”

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54338; File No. SR–CBOE–2006–49]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Approving a Proposed Rule Change and Amendment No. 1 Thereto To Allow Listing of Up to Seven Short-Term Options Series per Class

August 21, 2006.

On June 27, 2006, the Chicago Board Options Exchange, Incorporated

(“CBOE” or “Exchange”), filed with the Securities and Exchange Commission (“Commission”), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b–4 thereunder, <sup>2</sup> a proposed rule change to modify its short-term option series pilot program (“Pilot Program”) <sup>3</sup> to change the number of short-term series that may be listed in an options class from five to seven. The Exchange filed Amendment No. 1 with the Commission on July 11, 2006. <sup>4</sup> The amended proposal was published for comment in the **Federal Register** on July 19, 2006. <sup>5</sup> No comments were received. This order approves the proposed rule change, as amended.

The Pilot Program currently provides that the Exchange may open up to five short-term series for each expiration date in an approved class. CBOE has proposed to increase the maximum to seven. The Exchange has stated it would list approximately the same number of series with strike prices above and below the price of the underlying security or value of the index at about the time the series is opened. CBOE also proposed that, if the Exchange has opened less than seven series in a particular options class for a given expiration date, it could open additional series in that class if the Exchange deems it necessary to maintain an orderly market or meet customer demand, or when the current value of the underlying index moves substantially from the exercise price or prices of the series already opened.

After careful review, the Commission finds that the proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. <sup>6</sup> In particular, the Commission believes that the proposal is consistent with the requirements of section 6(b)(5) of the Act, <sup>7</sup> which requires, among other things, that the rules of a national securities exchange

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> See Securities Exchange Act Release No. 52011 (July 12, 2005), 70 FR 41451 (July 19, 2005) (SR–CBOE–2004–63) (approving short-term option series on a pilot basis through July 12, 2006). The Pilot Program has since been extended through July 12, 2007. See Securities Exchange Act Release No. 53984 (June 14, 2006), 71 FR 35718 (June 21, 2006) (SR–CBOE–2006–48).

<sup>4</sup> In Amendment No. 1, a partial amendment, the Exchange corrected a typographical error in the proposed rule text.

<sup>5</sup> See Securities Exchange Act Release No. 54133 (July 12, 2006), 71 FR 41062.

<sup>6</sup> In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

be designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The proposal is a reasonable expansion of a Pilot Program that offers the market potentially useful products while not appearing to raise any concerns about quote capacity. <sup>8</sup>

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act, <sup>9</sup> that the proposed rule change (File No. SR–CBOE–2006–49), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. <sup>10</sup>

Nancy M. Morris,  
Secretary.

[FR Doc. E6–14193 Filed 8–25–06; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54336; File No. SR–CBOE–2006–69]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Extension of a Pilot Program That Increases the Standard Position and Exercise Limits for Certain Options Traded on the Exchange

August 18, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b–4 thereunder, <sup>2</sup> notice is hereby given that on August 9, 2006, the Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the CBOE. The Exchange has filed the proposal as a “non-controversial” rule change pursuant to Section

<sup>8</sup> The Exchange, should it wish to propose an extension, expansion, or permanent approval of the Pilot Program, must submit a report on the Pilot Program to the Commission. See Securities Exchange Act Release No. 51172 (February 9, 2005), 70 FR 7979 (February 16, 2005). The Commission notes that the Exchange submitted a report on June 13, 2006, in connection with its filing to extend the Pilot Program through July 12, 2007. See Securities Exchange Act Release No. 53684 (June 14, 2006), 71 FR 35718 (June 21, 2006).

<sup>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</sup> 17 CFR 200.30–3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.