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**United States
Department of Labor
Sixty-Seventh
Annual Report
Fiscal Year 1979**



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United States Department of Labor Sixty-Seventh Annual Report Fiscal Year 1979



Ray Marshall, Secretary

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United States Department of Labor

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- ¹⁵ Appointed 11/2/78 to replace Hugh Murphy
- ¹⁶ Appointed 4/1/79 to replace Lawrence E. Weatherford
- ¹⁷ Established 9/11/79 to replace Administrator, Office of Field Operations

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Report of the Secretary

During the 1979 fiscal year, the Labor Department continued its efforts to help working people and all Americans overcome the effects of the two major domestic problems of our times—unemployment and inflation. This year, as in the past, the Department was in the forefront of programs and policies designed to help people find productive employment, insure their safety and health at the workplace, and guarantee them equitable treatment and equal employment opportunity on the job.

Even though 1979 was a year of government-wide fiscal restraint, the Labor Department expanded its programs and services through improved management, more efficient delivery systems, and strengthened provisions to prevent fraud and abuse. During the year, the programs and policies of the Department were directed toward meeting the needs and priorities of the many and varied publics it serves including the poor, the disadvantaged and the unemployed.

To help formulate a comprehensive solution to this nation's most serious economic problem—inflation—this Administration brought together business, labor, and government leaders to forge a historic National Accord, giving the people most effected by economic policy a hand in developing programs to combat inflation and unemployment.

Throughout the decade, we have suffered inflation that resists every conventional solution. We have endured two recessions, neither of which brought inflation down substantially, and mandatory wage and price controls, which only postponed inflationary increases and distorted the economy.

The key missing ingredient in our past inflation-fighting policies has been direct involvement by people with a vital stake in making the policies work. The National Accord gives labor, management, government, and the public at large an important role in formulating and monitoring our economic stabilization policies.

These policies, worked out during 1979 and implemented just after the fiscal year ended, are designed to discipline federal spending and restrain deficits while continuing to

move toward our goal of full employment. Among the measures called for as part of this accord are additional jobs and training programs, public works programs, youth initiatives as well as other counter-recession programs to deal with any increased unemployment and to protect jobs if a recession deepens.

The full range of our domestic policies are now coordinated to reduce inflation and unemployment. The National Accord gives us the unprecedented opportunity to show the world that Americans can work together—that we can set aside our differences—to reassert our world economic leadership.

Inflation has raged for a dozen years. It has caused great suffering for those least able to bear it. Solving the inflation problem will take years of self-restraint, cooperation, and patience—all equally shared. The National Accord gives us the framework to fight inflation and work toward full employment at the same. Throughout the 1979 fiscal year, we have moved toward that goal.

The Comprehensive Employment and Training Act (CETA), reauthorized during the fiscal year, is an integral part of the National Accord's overall anti-inflation and employment strategies. To help make it more efficient and effective, the reauthorized CETA increased targeting and training services to the economically disadvantaged and concentrated on training and placing people in private-sector jobs. To help insure that CETA funds went where they could do the most good, the Department also simplified administrative and paperwork requirements and strengthened provisions governing fraud and abuse.

The reauthorized CETA included a new Title VII emphasizing private-sector participation in the Department's employment and training programs. This new private-sector initiative program, designed to fill a previously missing gap in the employment and training system, will spend \$400 million annually to help industry train and employ the structurally unemployed and other disadvantaged people for jobs needed by our economy.

Two important innovations developed as part of the private-sector initiatives program were the Private Industry Councils (PICs) and the Targeted Jobs Tax Credit (TJTC)

program. PICs are composed of business leaders, labor union leaders, and representatives of community-based organizations. These councils can help persons involved in the CETA system understand and respond to the needs of local labor markets. The Targeted Jobs Tax Credit program allows businesses to claim a credit on their income tax to cover additional cost of hiring disadvantaged workers from specified targeted groups.

These innovative new programs, along with the rest of the CETA system, are crucial for dealing with problems of inflation and unemployment. Every trained worker in unsubsidized, productive employment is a producer, not a consumer of welfare or public assistance. Also, trained workers help increase productivity and hold down future wage costs. CETA, therefore, is an integral part of the full-employment strategy laid down in the Humphrey-Hawkins Act.

To help insure that CETA monies and funds for other Labor Department programs were properly used to help those for whom they were intended, the Office of the Inspector General (OIG) was established early in the fiscal year under the Inspector General Act of 1978. During the year, OIG acted to prevent and detect fraud, abuse and waste in department programs and operations and conducted audits and investigations relating to the department's many programs. OIG worked to develop strategic and systemic reviews so that potential problem areas could be identified and remedied before serious situations developed.

While the Department concentrated much of its effort during the year on putting people back to work, it improved the performance of its many other operations which enhanced the quality of worklife for all Americans.

The Occupational Safety and Health Administration (OSHA) intensified its ongoing program to cut away unnecessary regulations that have nothing to do with worker safety and health and concentrated efforts on targeting limited resources on worksites where workers daily face serious and often irreversible injury and sickness.

Continuing its "common sense" approach in the health standards area, OSHA was on the eve of promulgating a generic cancer policy to set the framework for regulating

1,500 to 2,000 potential carcinogens. This policy, developed during the year and issued just after the fiscal year ended, will help OSHA issue standards and other vital regulations to protect workers from exposure to dangerous carcinogens in the workplace.

OSHA also issued a new standard for exposure to lead and was in the final stages of preparing a final standard for beryllium and for workers exposure to toxic substances and for access to their medical records.

Safety standards regulations continued to be streamlined and consolidated by OSHA in an ongoing effort to simplify its many safety rules and standards. Over 900 safety provisions of OSHA's general industry standards were revoked and all regulations applying to construction were incorporated into a comprehensive booklet for easy use. Issued for public comment were proposals which would remove much of the excessive wordage from both the fire-protection and electrical standards. These old standards were being replaced by more flexible, simplified standards emphasizing performance rather than detailed instructions.

Other OSHA activities during the year included an expanded grants program to increase educational competence among various public, labor, business and university organizations; new emphasis on employee rights in the workplace; stronger efforts in technical support operations; closer liaison with the small business community, and greatly increased cooperation with other government regulatory agencies.

OSHA has come a long way in recent years. And the Labor Department is guided by the principle that every worker has a fundamental right to a safe and healthful workplace.

The Department moved on a number of fronts to intensify its efforts to guarantee workers fair and equal treatment on the job. The 1979 fiscal year was the first full year of the federal government's reorganized equal employment opportunity program which was consolidated within the Department's Office of Federal Contract Compliance Programs (OFCCP). OFCCP's staff grew from about 200 to over 1,300 during the year as it absorbed the compliance responsibilities formerly scattered among 11 other federal agencies.

Reforms in virtually every area of OFCCP's operations, enforcement and policy activities largely eliminated confusion and inconsistency often faced in the past by both federal contractors' affirmative action obligations for the program's covered employee groups including women, minorities, religious and ethnic groups, handicapped persons and veterans.

The Department's Wage and Hour Division initiated a special investigations program during the year targeted at industries and localities with high concentrations of undocumented workers. More than 13,000 investigations were conducted and back wages of more than \$24 million were found due to 165,000 workers. The purpose of the program is to remove the economic incentive for employers to hire undocumented workers.

Preserving and strengthening existing labor laws also helps protect the job rights of workers. Throughout the year, the Department continued working to protect collective bargaining and other rights guaranteed to workers. A free and democratic labor movement can help insure that workers will be adequately represented in government and at the workplace.

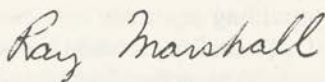
The Department worked to improve the operation of the Davis-Bacon Act which was passed in 1931 to keep the government from using its vast economic powers to depress or inflate the wages and living standards of workers. This philosophy is as valid today as when the Act was first passed. The prevailing wage principle is important to all workers and the Department is committed to administering the law so that it will be compatible with Congressional intent while providing equitable services to all the affected parties.

The role of women in the nation's workforce continued to grow during fiscal 1979 and the Department's Women's Bureau expanded its activities to promote the upward mobility and economic stability of working women. The Bureau helped write the CETA regulations affecting women, particularly those to help overcome sex stereotyping of jobs. It also developed plans for implementing the Women's Business Enterprise policy, established during the year by executive order to expand opportunities of women entrepreneurs for government contracts and loans.

In the field of international labor affairs, the Department's Bureau of International Labor Affairs (ILAB) participated in the interagency activities leading to the conclusion of the Multilateral Trade Negotiations and the passage of its implementing legislation. As a member of the Interagency Group on Human Rights and Foreign Assistance, ILAB expanded its activities in the area of workers' rights. The Department worked with the State Department and other agencies to focus international attention on the human rights of workers and worker organizations.

The trade adjustment assistance program, designed to aid workers adversely affected by increased imports was improved and expanded. During the year the Department's Bureau of International Labor Affairs (ILAB) conducted investigations and reached decisions on 2,214 worker petitions and approximately 103,000 workers were certified as eligible to apply for adjustment assistance.

Through these and many other programs, the Labor Department's wide-ranging activities continued to touch the lives of all Americans. As we enter the decade of the 1980s, our nation faces many challenges which may require some fundamental changes in the way we live and work. The solutions to these problems will arise, however, from traditional and time-tested methods of cooperation and communication. Working "to improve, promote and develop the welfare of the wage earners of the United States," the Labor Department in fiscal 1979 continued to fulfill its basic mission of helping people improve their lives.

A handwritten signature in cursive script that reads "Ray Marshall". The signature is written in dark ink and is positioned above the printed name.

Ray Marshall

Employment and Training Administration

Reauthorization and implementation of the Comprehensive Employment and Training Act (CETA) in October 1978 highlighted activities of the Employment and Training Administration (ETA) during FY 1979. Major features of the 1978 amendments to CETA included increased targeting of services to the economically disadvantaged, greater emphasis on training as opposed to public service employment, simplified administrative and paperwork requirements and strengthened provisions governing fraud and abuse.

Features of the new CETA included a new Title VII emphasizing private sector participation in employment and training, authorization of a number of welfare demonstration projects, and extension of the Youth Employment Demonstration Program, begun in 1977 as part of the President's economic stimulus program.

As part of ETA's continuing efforts to reduce youth unemployment, the Job Corps was expanded significantly and new programs were implemented under the Youth Employment and Training Programs, the Youth Community Conservation and Improvement Projects, the Youth Incentive Entitlement Pilot Projects, and the Young Adult Conservation Corps. As in the past, ETA also administered the program providing summer jobs for unemployed youth.

The public employment service received almost 9.5 million job openings from employers. Placements in unsubsidized employment were up by 2.3 percent—to 2.6 million; and the average hourly wage of those placed in jobs during the first nine months of FY 1979 rose to \$3.69 or 10 percent greater than the corresponding period of 1978.

Improvement efficiency and timeliness of the Unemployment Insurance payment system and a strengthened program for preventing fraud was a major focus of the Unemployment Insurance Service during FY 1979. Other accomplishments included increased activities involving payments to workers who became unemployed as a result of the Nation's trade policies or natural disasters.

A number of ETA outreach and public information programs made available training and employment assistance to hard to reach veterans; the Work Incentive (WIN) Program aimed at persons receiving Aid to Families with Dependent Children helped 300,000 persons obtain employment with a resulting savings in welfare payments estimated at \$600 million in FY 1979; and major initiatives were undertaken in the apprenticeship field including increased apprenticeship opportunities for women, expansion of apprenticeship to new industries and occupations, and improved linkages with other training efforts.

A variety of research and evaluation studies were done including a number of evaluation studies directed at understanding the CETA programs nationwide, particularly outcomes information of participants through a continuous longitudinal survey; research issues aimed at developing a better understanding of the labor market; employment and unemployment programs; and analytical studies examining alternative strategies for linking CETA programs and the business community.

Community Employment Program

Community Employment Programs encompass the activities of 460 State and local prime sponsor organizations which receive Federal grants under several titles of CETA to provide employment and training services at the local level.

In FY 1979, approximately 1.2 million persons participated in programs administered by prime sponsors, under Title II, A, B and C, at a cost of about \$1.8 billion. During the year approximately 875,000 persons terminated from these programs. Of this number about 72 percent were in a positive status at their termination including 388,000 placed in jobs and 240,000 who returned to school or entered further training. Of the persons enrolled in these programs 50 percent were enrolled in classroom training, 14 percent in on-the-job training, 35 percent in work experience activity and 1 percent in Public Sector Employment.

In FY 1979, a total of 560,000 service years were provided in public service jobs under Titles II-D and VI at a cost of approximately \$5 billion. Approximately 1.2 million per-

sons were employed in these jobs at some time during the year.

The 1978 amendments to CETA significantly changed the public service employment (PSE) emphasis of the programs. PSE under Title II-D was clearly identified as employment for the structurally unemployed while Title VI PSE was clearly identified as employment for the cyclically unemployed. The Fiscal Year 1979 appropriations reflected the revised emphasis of the programs, and called for reducing the Title VI enrollment levels while increasing the Title II-D enrollment levels. As a result of extensive efforts put forth by the entire CETA system, the major restructuring of enrollment between the titles was accomplished in the span of a few months. Title II-D enrollment was increased from 112,000 to almost 280,000 while Title VI was reduced from 496,000 to under 358,000 thereby demonstrating the ability of the system to effectively and efficiently adjust to changing conditions.

Changes made in the reauthorization of CETA presented major administrative problems. The amended Act called for the issuance, by May 15, 1979, of all applicable regulations and necessary application materials. All required documents were issued by the statutory deadline. These included: Grant Funding Instructions; Grant Review Guidelines; and Forms Preparation Handbook.

Extensive revisions in the regulations providing direction to the program were required by the changes in the CETA law. The increased emphasis on targeting services to those most in need required revision of eligibility criteria based on income and employment status. Operationally, it required special attention to designing jobs and training programs to accommodate lower skilled persons. Provisions establishing average annual wage rates for PSE jobs required the development of wage indexes for the various areas. It also required sponsors to make major adjustments in the design of PSE jobs to reflect the lower wages. Other new requirements such as the limit on length of CETA participation have had significant effects on the administration and operation of CETA programs. ETA, in FY 1979, undertook a major program to improve the management capabilities of prime sponsors and to guard against fraud. ETA's Office of Investigations and Compliance has instituted a schedule for conducting com-

prehensive on-site reviews of sponsor programs which will cover some 50 sponsors each year. In addition, a new Office of Management Assistance was established within ETA to provide assistance to prime sponsors in improving the management of employment and training programs.

In FY 1979 ETA emphasized preparation for unsubsidized jobs and increased the participation of the private sector in the design and operation of employment and training programs through the Private Sector Initiatives Program. Under the new Title VII private sector involvement in CETA increased and more CETA clientele obtained private sector unsubsidized employment. Title VII creates Private Industry Councils, (PICs), of which a majority of the membership must be from the private business community. PICs and prime sponsors work together to jointly develop the Title VII plan and the PIC may actually operate the Title VII program.

During FY 1979, PICs were established by almost all prime sponsors and funds totaling \$75 million were allocated to prime sponsors to support the new program.

Welfare Reform

In developing the Administration's Welfare Reform initiative, the Department of Labor funded 12 of the 15 Employment Opportunities Pilot Projects (EOPP) designed to furnish experience in providing employment opportunities to persons on welfare or who are in a low-income category and are likely to become eligible for welfare. There are variations from site to site, but all are following a basic design which encompasses job search assistance, training including OJT in the private sector, and placement in subsidized jobs when other employment is not available.

The 12 operative sites have successfully developed the necessary linkages with such programs as the State Employment Security Agencies, the Work Incentive Program and the State Welfare Agencies to implement the Work and Training Opportunities Act. Unique to EOPP are the arrangements made to provide the necessary supportive services required to enhance the employability of the program participant. These services include but are not limited to child care and transportation. Contracts have been negotiated with organizations

(e.g., Community Based Organizations, Employment Service) for the delivery of specific services.

A comprehensive research and evaluation effort has been developed to track the pilot projects. Studies will assess the impact on project participants and the local labor market.

In addition, an extensive management information system is being developed and special surveys will be conducted to measure the impacts on the communities.

In FY 1979, approximately \$19 million was spent for the Welfare Reform initiative. All of the program accomplishments to date, as well as those expected in the future, are steps taken towards achieving the major objective of the program—that of finding permanent unsubsidized jobs for participants and eliminating their dependency on cash assistance and other welfare benefits.

Youth Programs

In FY 1979, ETA continued its efforts to reduce youth unemployment by further expanding the Job Corps and implementing the new programs authorized by the Youth Employment and Demonstration Projects Act of 1977. These new programs include the Youth Employment and Training Programs (YETP), the Youth Community Conservation and Improvement Projects (YCCIP), the Youth Incentive Entitlement Pilot Projects (YIEPP) and the Young Adult Conservation Corps (YACC). In addition, ETA administered the program providing summer jobs for unemployed youth.

In FY 1979, an estimated 400,000 youth participated in YETP programs. The majority of participants were enrolled in "career employment," which combines supervised employment in work experience or OJT activity with supportive services such as counseling and career information.

A review of YETP terminations indicates a positive termination rate of 77 percent, with 57 percent of the youth returning to or continuing their education and 20 percent youth entering employment. An increasing number of youth are improving their educational credentials by obtaining (GED) high school equivalency credit. Six percent of total youth achieved GED credit in the second quarter and 12 percent achieved credit in the third quarter.

The Youth Community Conservation and Improvement Project (YCCIP) is designed to provide youth experiencing severe difficulty in obtaining employment with well supervised work in projects which are carried out in specific neighborhoods resulting in tangible benefits and community improvements. A review of a national sample of planned projects indicates that the majority of project activities are concentrated in the areas of house repair, weatherization and community betterment (nature trails, park improvements, etc.). The balance of the projects are divided between social services, conservation and beautification activities.

An estimated 40,000 youth age 16 to 19 served in the YCCIP program in FY 1979. Over 86 percent of all enrollees were from an economically disadvantaged family although there are no family income level eligibility requirements. The majority of youth were enrolled in supervised work experience activities and 50 percent of all terminated youth experience positive results with 21 percent of the youth entering employment. The average length of participation was 4 months.

The Youth Incentive Entitlement Pilot Projects (YIEPP) have been established in 17 urban and rural target areas across the Nation. Each project provides jobs to 16 through 19-year olds who live in a prescribed area, meet poverty income limits, and agree to pursue their high school diplomas and to maintain minimal job and academic standards. YIEPP grants are supplemented by funds from local Comprehensive Employment and Training Act (CETA) programs. The entitlement program includes a large-scale research effort to evaluate the program's effectiveness. Through June of 1979, over 55,799 economically disadvantaged youth have enrolled in YIEPP projects to work part-time or full-time in order to remain in or return to school. Total cost to date is about \$102 million in local and CETA funds.

The 1979 Summer Youth Employment Program (SYEP) provided employment for approximately 9000,000 economically disadvantaged youth during the summer months. The program generally provides 26 hours of employment per week over a nine week period during the summer. Major efforts were made to improve the quality of work experience by strengthening the regulations and by extensive monitoring.

In FY 1979, Job Corps continued to open new facilities and expand existing centers to double its capacity from 22,000 to 44,000. During FY 1979, the capacity of its centers was increased from 26,000 to almost 34,000. The number of centers has been increased from 60 at the start of the build-up to 89 at the end of the fiscal year.

Job Corps also undertook a large controlled educational improvement effort to improve the quality of the education and training services offered at its centers. The effort includes a new reading program, computer assisted instructional systems, video supported educational programs, competency based instructional systems and new approaches to teaching work skills.

National Programs

National programs continued to provide training and other employment related services to groups experiencing particularly severe disadvantages in the labor market. Special programs, generally conducted by national organizations provided services targeted on Indians and other Native Americans, Migrant and Seasonal Farmworkers, older persons, women and other special groups.

The Senior Community Service Employment Program provides grants to national organizations and State governments to develop part-time jobs in community work for economically disadvantaged persons aged 55 and older. In FY 1979, over 47,500 older persons were provided employment through the program at a cost of \$220.6 million.

The Native American Employment and Training Program provides grants to Indian tribes, other Native American communities, and various organizations to support a wide variety of training and employment services to Native Americans. About 65,000 persons were served by these programs in FY 1979, an increase of some 20 percent over the previous year. In terms of services, classroom training was provided for almost 13,000 persons, 5,000 were placed in on-the-job training, 31,000 were in work experience positions and 5,000 were provided public employment jobs. In FY 1979, funding of over \$73 million was provided for these programs.

The Migrant and Seasonal Farmworker Programs provide a wide range of services ranging from job training to college

tuition programs and emergency relief to farmworkers who work in agriculture on a seasonal basis. In FY 1979 these programs allocated over \$80 million to 50 nonprofit organizations, 7 State governments, and several city and county governments. Grants were also awarded to universities and other groups to conduct college assistance programs and to provide technical assistance.

Services provided during the year included classroom training for 22,000, on-the-job training for 5,000 and work experience opportunities for 5,000. A total of almost 200,000 people received some type of assistance through the program during the year, such as nutritional services, health and medical care and emergency assistance.

Other activities under the National Programs included the Apprenticeship Outreach program which placed almost 13,000 minority members and women as apprentices or journeymen. The National On-the-Job Training Program provided on-site job training for approximately 17,000 persons. The HIRE program, targeted on veterans, provided training for over 34,000 veterans in cooperation with the National Alliance of Business. Finally, the National Programs funded a wide variety of Community-Based Organizations, national trade associations, international labor unions and other national organizations to provide support to employment and training activities.

Employment Service

The public employment service (ES) continued the high level of performance achieved in FY 1978. Placements for FY 1979 totalled 4.5 million individuals, essentially the same as FY 1978, despite a sharp drop in the number of subsidized jobs available through CETA. Placements in unsubsidized employment were up by 2.3 percent, to 2.6 million as compared to the previous year. As compared to the earlier period, the applicant caseload increased by 60,000 to a total of 15.5 million.

The reduction in subsidized placements between FY 1978 and FY 1979 reflects the unusually large number of PSE openings available in FY 1978 because of the President's Economic Stimulus Program. Compared to the year preceding the PSE build-up, the FY 1979 subsidized placements repre-

sent a 47 percent increase, reflecting the closer ES/CETA linkages developed in recent years.

During FY 1979, almost 9.5 million job openings were received from employers. Some 6.8 million openings were filled, an increase of 1.8 percent over the earlier period.

The placement rate, which measures placements as a percentage of new and renewal applications was about the same in FY 1979 as the previous year at 29 percent. Although the placement rates of several target groups experienced a decline in FY 1979, apparently due to the reduction in the availability of unsubsidized jobs, they continue to have rates above that for all applicants. Thus the placement rate for the economically disadvantaged was 34 percent, for minority youth 39 percent and 51 percent for migrant and seasonal farmworkers.

The average wage of applicants placed continued its upward trend in FY 1979. The average hourly wage of those placed the fiscal year was \$3.69 as compared to \$3.36 for the corresponding period in FY 1978.

In terms of services provided to applicants, there were significant increases in a number of key areas. Thus, job development contacts were up by 18 percent, the number of applicants tested increased by 8 percent and the number of applicants counseled was up by almost 2 percent.

In FY 1979 the ES continued a wide range of efforts designed to improve the efficiency and effectiveness of its services. An extensive program of evaluation, research and demonstration has been undertaken to develop ways of improving operating programs. These include a management review of services to veterans, a study to improve the validation of ES data systems and an evaluation of the impact of employer relocations activities in the ES.

The ES continues to provide support to a wide range of related programs including CETA, WIN, and the Food Stamp program. In FY 1979, the ES assumed a major role in implementing the Targeted Jobs Tax Credit (TJTC) authorized by

TJTC allows employers to claim a credit based on the wages paid during calendar years 1979 and 1980 to an employee who is a member of any one of seven target groups, the largest of which is economically disadvantaged youths 18-24. The worker must be certified as eligible if the

employer is to claim the credit.

The Revenue Act gave the Department major responsibilities for administering and publicizing TJTC; most of this responsibility is lodged within ETA/USES. At the State and local levels, the State Employment Security Agencies (SESAs), manage the delivery system and coordinate the agencies which issue vouchers to eligible workers. The SESAs also issue certifications to employers once they have hired eligible workers.

The TJTC delivery system was in full operation by May 1979 and by the end of FY 1979 had issued nearly 90,000 vouchers to eligible workers and certified 37,000 workers who had actually been hired. During FY 1980, the Department estimates that over 200,000 additional hires will be certified for the credit.

Services to Veterans

The Veterans Employment Service supervises veterans programs of the Department of Labor. Under the Vietnam Era Veterans Readjustment Assistance Act of 1974, the Secretary of Labor established standards of compliance for services provided veterans by SESAs. The number of SESAs out of compliance in Fiscal Year 1979 decreased from 11 to 4.

The Veterans Employment Service developed and implemented a number of outreach and public information programs during Fiscal Year 1979 to make available training and employment assistance to hard to reach veterans, particularly disabled and Vietnam veterans.

Outreach and employability projects were funded with the Community Services Administration (CSA), the National Council of Churches, the National Black Veterans Organization, and the Urban League. Other efforts included a project to test a model instructional program for training community based veterans organizations, and a project to provide outreach and employment assistance to visually impaired veterans. In addition, 32 State Employment Service staff received support in Veterans Assistance Centers operated by the Veterans Administration.

Unemployment Insurance

The focus of the Unemployment Insurance Service (UIS)

in FY 1979 was on improving the efficiency and timeliness of the payment system and strengthening the systems for preventing fraud.

First payment promptness continues to be a high priority goal for UIS. In FY 1979, the standard of making 87 percent of intrastate first payment within 14/21 days was met. Ninety-five percent of such claims were paid within 35 days.

To Help reduce fraud, an Internal Security Handbook and an Overpayment Collection Handbook were developed and distributed in FY 1979. In addition, an Automated Model Recovery System was developed for use by State agencies. Steps were also taken to improve the quality of employer audits.

To prepare for an increase in workload should be economy enter a downturn, a Recession Planning Survey was conducted in 12 SESAs to assess their preparedness to handle any potential increase in program activity. Most States are presently in a better position to handle an increase in workload than they were during the 1974-75 recession. All SESAs developed plans to respond to an increase in workloads in FY 1980.

Substantial payments were made to workers whose unemployment resulted from the Nation's trade policies or natural disasters. During FY 1979, approximately 135,000 workers received first payments of trade readjustment allowances (TRA), and approximately \$259 million was paid. This dollar amount is in addition to any unemployment insurance payments that these workers received. Under the Disaster Unemployment Assistance (DUA) program, 42 major disasters—including Hurricanes David and Frederic—were declared in 28 States. This number represents the largest number of major disasters in any fiscal year since the program began. Based on the activity reports received for these disasters through Sept. 30, 1979, over 14,000 individuals received over \$3.1 million in DUA payments.

Under the Redwood Employee Protection Program (REPP), weekly layoff and severance benefit payments increased to \$11,334,017.74. As of Sept. 30, 1979, 1,056 persons have received 30,098 weekly benefit payments totalling \$5,452,700.12. This is an average weekly payment of \$181.16. Severance payments totalled \$5,881,317.62 and

were paid to 517 persons.

Job search allowances totalling \$1,455.16 were approved for 12 persons while relocation allowances totalling \$63,555.47 were approved for 36 individuals. Training was approved for 69 persons.

Congress extended the National Commission on Unemployment Compensation until June 30, 1980. The Commission held 18 meetings in various parts of the country during 1979, most of which included public hearings. Two interim reports were issued in FY 1979 and the Commission will publish additional interim reports prior to its final report.

Work Incentive Program

The purpose of the Work Incentive Program (WIN) is to enable persons receiving Aid to Families with Dependent Children (AFDC) to become self-supporting. In FY 1979, over 900,000 persons were registered by the program and over 200,000 were enrolled in at least one component.

During the year, approximately 300,000 persons obtained employment through the WIN program. Over half of those obtaining employment earned wages high enough to enable them to leave AFDC. Annualized grant reductions as a result of the employment were estimated at \$600 million in FY 1979. It is estimated that each dollar expended by the WIN program resulted in \$1.51 in welfare grant reductions. Salaries of persons placed averaged \$3.52 in FY 1979 an increase of \$.21 over the previous year.

Apprenticeship

FY 1979 was a year of significant accomplishments for apprenticeship in terms of the number of apprentices in training and progress toward such major goals as increasing apprenticeship opportunities for women, expanding the concept of apprenticeship to wider areas of industry and improving linkages to other training efforts.

In 1978, the latest period for which data are available, a record number of 405,000 persons received training in apprenticeship programs covering a wide range of highly skilled occupations. During the year over 130,000 new apprentices entered training.

A major focus of apprenticeship in recent years has been on opening apprenticeship opportunities to women. In 1978, a record 3.1 percent of all apprentices were women, a significant increase from the .7 percent of 1973. Special activities in support of achieving the goal of increasing women apprentices included over 1,700 special presentations involving some 68,000 persons to encourage and develop apprenticeship for women. Special efforts have also continued on behalf of minorities; the latest data indicate that 18 percent of all apprentices are from minority groups.

Significant progress was made to link apprenticeship with other training efforts. BAT staff members were assigned to work with each CETA prime sponsor to develop cooperative relationships between apprenticeship activities and the CETA programs. ETA worked to link welfare reform pilot programs with apprenticeship opportunities for welfare recipients. BAT actively supported the new CETA Private Industry Councils (PICs) authorized by Title VII of CETA, with 170 BAT staff members serving as members or consultants to PICs.

Substantial progress was made in FY 1979 in expanding apprenticeship to new industries and occupations. A special program to provide apprenticeship in the military services registered a record 9,500 apprentices. During the year 23 National Apprenticeship Standards were registered with a variety of organizations including federal correction institutions, Indian reservations and Federal agencies. Eleven occupations were newly approved as apprenticeable during the year. Special efforts to develop apprenticeship in energy related occupations resulted in the training of over 18,000 apprentices in occupations involving nuclear energy, solar energy, biomass, and weatherization.

In FY 1979 BAT continued a New Initiatives in Apprenticeship program to promote apprenticeship across a broader range of industries and occupations. The Multi-trades program designed to provide administrative assistance to small apprenticeship programs in a defined geographic area reported cumulative apprentices numbering 1,017. The Apprenticeship School Linkage projects designed to move high school youth into apprenticeship opportunities reported cumulative apprentices of 1,327. Selected Industry Campaign programs reported 13,004 cumulative apprentices.

Policy Evaluation and Research

Legislative activities on CETA, evaluative studies to understand CETA programs nationwide and studies of prime sponsors highlighted policy, evaluation and research during fiscal 1979.

Work on the CETA reauthorization was completed in October 1978, when the President signed the bill into law. The reauthorization extended most CETA programs for 4 years, more sharply targeted CETA programs, authorized a new private sector initiative program, and contained features to protect the system against fraud and abuse. Also enacted late in the Second Session of the 95th Congress was legislation to extend the Senior Community Service Employment Program (Comprehensive Older Americans Act Amendments of 1978) and to establish the Targeted Jobs Tax Credit Program (Revenue Act of 1978).

A number of major evaluation studies were directed primarily to improving the understanding of CETA programs nationwide. Much of the information available on CETA has been distilled from the Continuous Longitudinal Manpower Survey (CLMS) of a national sample of enrollees who entered CETA decentralized programs in Fiscal Years 1976 or 1977 (two follow-up reports currently available). The study seeks information about the chief characteristics of enrollees in various CETA components as well as their employment experience prior to entering the program.

A second major study by the National Academy of Sciences assesses the development and caliber of the new CETA system in its formative years, emphasizing how local sponsors met the challenge of decentralization and coped with the required rapid expansion of PSE under CETA in response to an economic downturn. In addition to this NAS project, researchers from the Brookings Institution were also involved in a study of CETA-PSE to estimate the extent of substitution or the actual net employment creation resulting from those programs.

Other evaluations focused on efforts by CETA sponsors to generate more private sector involvement in CETA projects, including both the STIP (Skill Training Improvement Program) and HIRE-II Program (Help through Industry Retraining and Employment) and the more recent efforts initiated

under the new CETA Title VII Private Sector Initiative Program (PSIP). Other CETA programs evaluated in fiscal 1979 included the Job Corps and the new youth programs established by the Youth Employment and Demonstration Projects Act of 1977. Non CETA evaluation efforts looked at apprenticeship programs, the Employment Service and Federal contract compliance activities.

A wide array of research studies were aimed at developing a better understanding of the labor market, employment and unemployment problems, and various employment and training programs.

An ongoing research project is examining the experience and general applicability of public service employment (PSE) in selected labor markets of the rural south, while a recently completed study assessed the feasibility of large-scale countercyclical job creation. Other studies in the past year have examined ways to link CETA programs and the business community; conducted an institutional analysis of the Work Incentive (WIN) Program to determine the most important characteristics of successful WIN projects; explored the potential benefits to workers and management in shared work; relocation of unemployed workers; supported work; and other special programs directed to particular target groups; and carried out special studies to improve the operations of the Employment Service and Unemployment Insurance System.

A significant portion of fiscal 1979 research efforts addressed broad labor market issues rather than specific programmatic concerns. The ongoing National Longitudinal Surveys (NLS), initiated in 1966, have provided a wealth of information on employment, unemployment, the mobility of workers, and other labor market experiences for four population segments at critical transition stages in working life.

Equal Employment Opportunity and Special Review

In FY 1979, ETA emphasized reducing fraud and mismanagement within employment and training programs. The Office of Investigation and Compliance (OI&C) conducted monitoring reviews of 24 prime sponsors in FY 1979 and plans to conduct 50 review during FY 1980 and each year thereafter. A monitoring procedure was designed and used that sampled these three major activities that have the greatest

potential for fraud and program abuse—financial management, program management and equal employment opportunity.

A follow-up on compliants has become an ever increasing area of importance in the administration of ETA programs. Recorded complaints which averaged 250 per year during the 1974-77 period have increased to an average of 1250 for FY 1979 and 80. The proportion of complaints involving equal employment opportunity (EEO) problems has been declining in recent years. While EEO problems accounted for the majority of complaints in earlier years, they declined to 40 percent of all complaints in FY 1978 and to 30 percent in FY 1979.

The 1978 CETA amendments established fixed time periods for resolution of all complaints, 60 days at the local level and 120 days at the Federal level. A system for measuring compliance with the mandated time periods is being developed and a Field Memorandum will soon be issued to put the system in place throughout ETA. The latest effort to assess the current level of compliance indicated that the average age of open or nonresolved complaints has dropped from 8.5 months at the end of FY 1978 to 5.5 months as of August 17, 1979.

Employment and Training Information

As newly authorized activities to increase private sector involvement in hiring and training the disadvantaged were started, ETA's Office of Information concentrated on supplying information about these activities and helping regional and State staffs improve their information capabilities. Materials on the Private Sector Initiative Program and the targeted jobs tax credit included magazine articles later reprinted and widely distributed as separate publications, speeches, program fact sheets, and a brochure. As part of continuing efforts to inform consumers, two leaflets on the targeted jobs and Work Incentive (WIN) tax credits were produced, and a tax credit leaflet was issued in a compilation of 23 updated consumer information sheets.

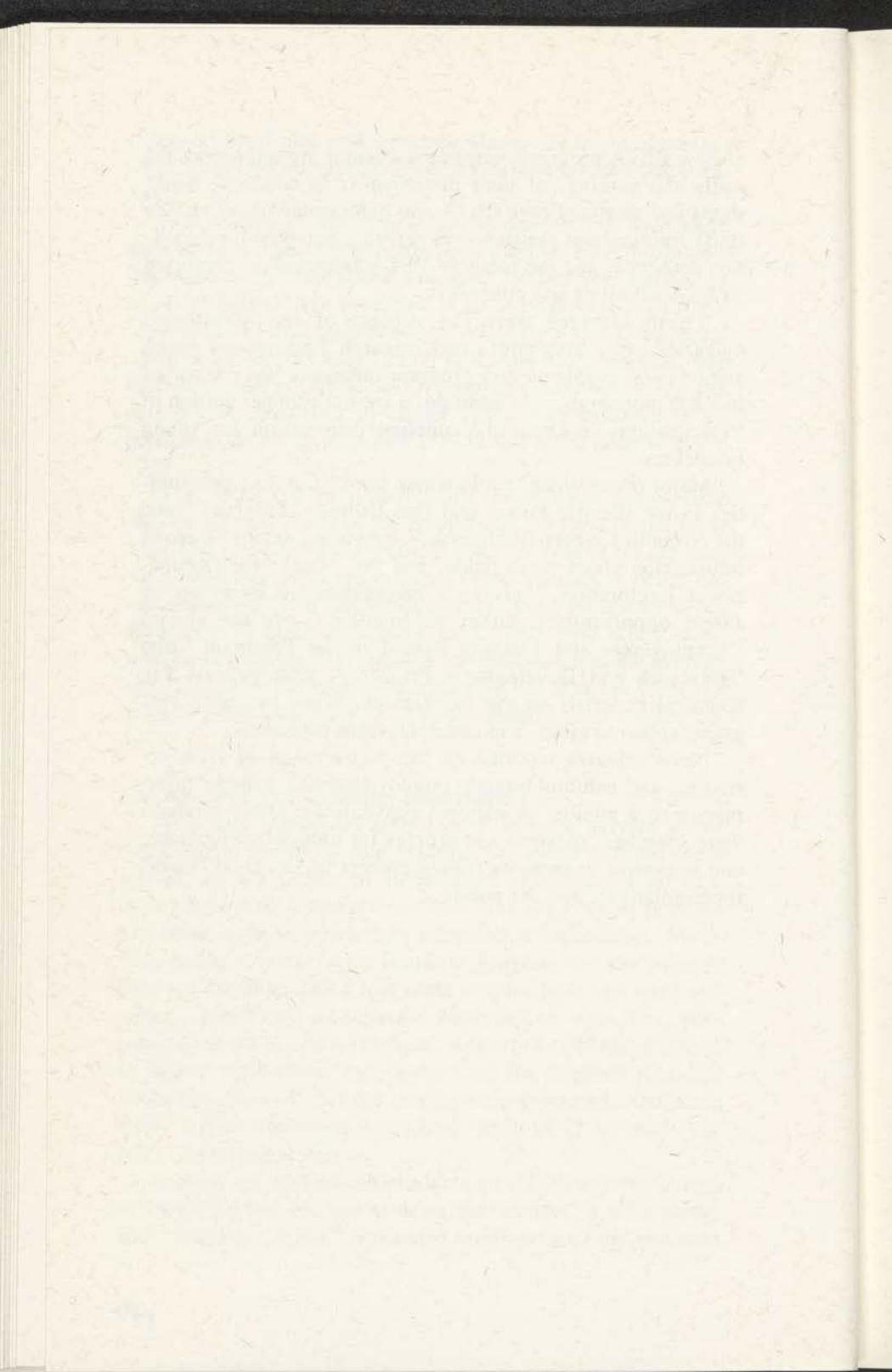
Among the information products on CETA were magazine articles reprinted for use at news conferences, a slide show, and "Dateline CETA," a planned series giving brief accounts

of how CETA programs across the country are improving the skills and earnings of their participants. In addition, workshops and meetings gave CETA and State employment service staffs training and assistance in carrying out public information activities, and the monthly "ETA Interchange" reported on ETA activities and concerns.

Youth services were the subject of two illustrated magazine-style brochures, and research findings on youth employment problems and program outcomes were reported in R&D monographs. In addition, a special summer edition of "Occupations in Demand" supplied information for young jobseekers.

Major occupational publications were "Career Opportunities in the Electric Power and Gas Utilities Industries" and the "Health Careers Guidebook," providing detailed current information about these fields, and the "Guide for Occupational Exploration," giving a comprehensive overview of career opportunities. Other publications were the annual "Employment and Training Report of the President" and "Research and Development Projects," plus general and technical materials on the Job Service, Work Incentive Program, apprenticeship, and unemployment insurance..

News releases reported on the entire range of ETA activities, and exhibits brought employment and training information to a number of national conventions. Other products were speeches, columns and articles for outside publications, and responses to requests from members of Congress, media representatives, and the public.



BUREAU OF LABOR STATISTICS

National concern about the economy—unemployment, the high rates of inflation, and poor productivity performance—focused increased attention on Bureau of Labor Statistics (BLS) data during the 1979 fiscal year. In addition to producing its regular statistical series, the Bureau moved ahead with several new activities.

With a major revision of the Consumer Price Index (CPI) completed and successfully introduced, the Bureau began revising and expanding several other major statistical programs, including the industrial price program. Data collection for 34 new industries and development of improved and expanded price indexes for others began during the year. The Bureau also began developing plans for a complete review of the establishment survey of employment, hours, and earnings, a review expected to lead to a multi-year revision of this Federal-State cooperative program. Other major revision activities are under way for the Family Budget program and for a Continuing Consumer Expenditure Survey.

During the year, the Bureau expanded its Current Population Survey, allowing the tabulation of expanded and improved data for subnational geographic areas and permitting initiation of a data series for monitoring the earnings trends for various population groups on a quarterly basis. The Bureau expanded its data collection and coverage for the international price program; for the Professional, Administrative, Technical, and Clerical Pay survey; for Federal Government productivity measures; for the Employment Cost Index; and for the Supplementary Data System developed for occupational safety and health statistics.

The Bureau also provided support to the National Commission on Employment and Unemployment Statistics and to the Panel to Review Productivity Statistics of the National Academy of Sciences and began reviewing the recommendations of these groups.

Prices and Living Conditions

The prices and living conditions program is the principal source of information concerning price trends in the U.S. economy. Its statistical output is an essential element in analyzing price behavior and trends, in interpreting price movements in relation to other economic changes, and in formulating and evaluating economic policy. The price statistics produced by this program are widely used in the private sector as escalators in a wide variety of collective bargaining agreements, sales and purchase contracts, rental contracts and a variety of other contractual arrangements. The prices and living conditions program produces two of the country's foremost economic indicators, the Consumer Price Index (CPI) and the Producer Price Index (PPI).

The CPI program is the principal source of information concerning trends in consumer prices in the United States. During the 1979 fiscal year, the BLS continued the monthly production and publication of the two CPI's which were introduced at the completion of the recent CPI Revision—the CPI-U covering All Urban Consumers and the CPI-W covering Urban Wage Earners and Clerical Workers. Through the first 6 months of the fiscal year, the BLS had responded to more than 300,000 recorded requests for data produced by the CPI program. With additional funds provided by the Congress in the 1977 fiscal year, an ongoing program to update systematically the sample of retail stores and other establishments in which prices are obtained for the CPI was completed. This new program, designed to update the entire CPI outlet sample over a 5-year period, provides current information on the places where consumers shop, establishing a previously unavailable means of maintaining the CPI outlet sample over time. In addition to this new program, work on developing CPI's for Fairbanks, Alaska, was completed. Publication of indexes for this area began in May 1979. Finally, a new program was introduced to provide average price information for gasoline and fuels and utilities, both nationally and for selected local areas.

The BLS Industrial Price Program is the principal source of information on prices received by producers of the Nation's goods and services. In 1979, in addition to producing and publishing the monthly Producer Price Index (PPI) press re-

lease and related data, the major new program to revise and improve the PPI was expanded. By the end of the fiscal year, data collection had begun for 34 industries in the PPI Revision program. Improved and expanded price indexes were also published for rail freight beginning with January 1979. In addition, the jewelry portion of the existing indexes was substantially expanded, improving an area that had long been a weakness among the consumer durable goods indexes.

In the International Price Program, export price indexes are published that account for 60 percent of the value of U.S. commodity exports. Additional import price indexes were published in the past year, increasing the value of imports covered by the program to 37 percent compared with 25 percent last year. This program provides the only direct measure of price movements for the foreign trade sector of the U.S. economy.

Estimates of autumn 1978 costs of the four-person family budgets were prepared and published in April 1979 and the retired couple's budget in August 1979. A committee of experts was appointed by the University of Wisconsin Institute for Research on Poverty, under contract to the BLS, to assist in planning a major revision of the Family Budget program. A preliminary report from this committee is due in January 1980.

Efforts to launch the Continuing Consumer Expenditure Survey by the fall of 1979 continued throughout the fiscal year. The results of a 1978 pretest of the survey questionnaire were evaluated and all start-up activities necessary to launch the survey by October 1979 were completed. This major new program will provide the basis for future updating or revision of the Family Budget and Consumer Price Index programs and, in addition, will provide a previously unavailable source of current information on consumer expenditures.

Current Employment Analysis

Analysis of the labor force situation, especially in terms of joblessness among various demographic groups and economic sectors, took a number of forms. The Bureau prepared timely analyses of the effect of economic developments on employment patterns of the Nation's workers, including articles on the overall employment situation in calendar year 1978 and

the first half of 1979.

The level of public debate concerning the validity of current concepts underlying the labor force data was also intensified, as the Congressionally mandated National Commission on Employment and Unemployment Statistics completed its work and issued its final report on Labor Day 1979. The Bureau actively supported the Commission's independent examination of the concepts, methods, and collection procedures underlying labor force data. On request, the Bureau prepared a large number of special tabulations, primarily drawing on unpublished data sources, and provided technical review and assistance on drafts prepared by the Commission staff. The final Commission report made many specific recommendations concerning labor force concepts and measurement procedures but, by and large, was supportive of Bureau projects and planned improvements.

The Bureau continued to sharpen and improve its labor force data by conducting research on the conceptual and methodological aspects of current labor market measures. In addition to the actual testing of alternative interview procedures, plans were made to introduce a test of alternative questions in January 1980. One important goal was to test the new questions that would be used to measure labor market discouragement under the procedures recommended by the Commission.

The Bureau produced several articles and reports focusing on labor force developments and trends among various demographic groups. In connection with the International Year of the Child, the Bureau's staff prepared several analytical articles focusing on children, youths, and on working mothers. Other research articles focused on such topical issues as job search activities and subsequent labor force activities of persons outside the labor force and the extent of unemployment among food stamp and AFDC recipients.

The Bureau stepped up its efforts to provide regular information on labor force developments among women and racial and ethnic minorities. It initiated several projects and expanded its publication program with regard to labor force statistics on persons of Hispanic origin. In response to an increasing demand for more information on this group, the Bureau has introduced on an annual basis several new tables

on the occupation and industry of employed Hispanics and on the status of Hispanics outside of the labor force, including information on discouraged workers. The new data implement provisions of Public Law 94-311, which requires the Department of Labor to improve and expand the collection, analysis, and publication of unemployment data on Hispanics. In addition to expanding the range of published data, the Bureau prepared a comprehensive analytical article profiling Hispanics in the work force.

In order to monitor more closely the earnings trends for the various population groups—men, women, blacks, whites, Hispanics, etc.—the Bureau began the monthly collection of earnings data through the Current Population Survey. The data are to be published quarterly, with the first release covering the second calendar quarter of 1979.

Over the past year, the Bureau has continued to improve its data processing capabilities for managing both published and unpublished data from the Current Population Survey. The unpublished, individual record data were used as the basis for a number of in-depth analyses of labor force behavior. Cost savings and, even more significant, time savings were achieved by further advances in computerized data base management and table production for the Bureau's employment situation press release and other data publications on the labor force.

Employment Structure and Trends

The statistics on State and local area employment and unemployment continued to receive attention. These data are the principal element in the allocation formulae used to distribute several billion dollars of Federal funds to States and other jurisdictions each year. A major expansion of the Current Population Survey (CPS) was begun to provide annual average data for 30 Standard Metropolitan Statistical Areas (SMSA's), 10 central cities, and the balances of States and of SMSA's. These data are required by the Comprehensive Employment and Training Act (CETA), as amended.

The establishment payroll survey data were adjusted to March 1978 employment benchmark levels in line with usual practice. Based on recommendations from the National Commission on Employment and Unemployment Statistics

(NCEUS), the Bureau is considering the development of a complete review of the establishment surveys of employment, hours, and earnings that would lead to plans for a multi-year revision of this Federal-State cooperative program. The review would include methods of sampling, estimation, and data processing capabilities.

As required by CETA, wage indexes were calculated for over 3,000 counties and 450 prime sponsors to help determine the maximum allowable wage for public service employees involved in CETA programs.

Efforts continued toward publication of the 1980-81 edition of the *Occupational Outlook Handbook*.

Pilot tests were conducted by several State Employment Security Agencies during the 1979 fiscal year to test the feasibility of collecting data on job vacancies in conjunction with labor turnover statistics from establishments.

In 1979, the Bureau developed national estimates of occupational employment by industry for manufacturing industries. Data were collected from employers during 1979 by the 45 State Employment Security Agencies (SESA's) cooperating in the Occupational Employment Statistics (OES) Survey. Data for the remaining States were collected by the Bureau. The OES survey is conducted on a three-year cycle, with approximately one-third of the economy surveyed each year. At the end of the 1979 survey cycle, national estimates were available for all nonmanufacturing industries for up to 1,500 occupations.

NCEUS conducted a review of all programs in the Office. The Secretary of Labor will make his recommendations to Congress during 1980.

Wages and Industrial Relations

Wage and industrial relations programs made significant improvements in the quantity, quality, and timeliness of data produced. Major improvements included more detailed data on wage movements in the Employment Cost Index; continued reduction in the publication lag for wage surveys; and initial development of an employee benefits data base for use in a total compensation comparability approach to Federal pay.

In cooperation with the Office of Personnel Management

(OPM), BLS launched a major effort to collect and analyze a large body of data on private industry employee benefits. The data will be used by OPM to evaluate and compare employee compensation in private industry and the Federal government.

Employment Cost Index (ECI) tabulations were expanded to provide for a separate series for workers in finance, insurance and real estate and for indexes in addition to the regular percent change information. The scope of the ECI was extended by including Alaska and Hawaii in the national sample. Quarterly collection of fringe benefit data was brought on cycle with wage data collection. The data processing system to produce total compensation tabulations was made operational and initial tabulation of total compensation statistics for the 1977 base and subsequent periods began. First publication of data on total compensation is scheduled for the 1980 fiscal year.

A survey designed to provide data collection units for State and local governments was completed. Sample selection and initiation of data collection for governments are planned for 1980. Government data is scheduled to be incorporated into the ECI the following year. Data processing improvements were instituted in 1979; the most significant enhancement was the capability for direct regional screening and editing of data through a link between the Departmental Computer Center and the National Institutes of Health data centers. This has speeded up data processing considerably. In addition, systems work was completed to produce a form showing the current benefit information provided by respondents, thus facilitating the collection of changes in benefit data.

The BLS conducted approximately 100 area wage surveys and 150 special industry studies for the Employment Standards Administration to use in administering the Service Contract Act. In two of the areas (Wichita Falls and Mobile-Pensacola), the scope of the survey was expanded to include Federal, State, and local governments on a test basis. At the request of the National Aeronautics and Space Administration, a similar study including State and local governments was conducted in Brevard County, Florida.

The Bureau's regular program of area wage surveys in 70 areas was enhanced by adding statistical data on occupational

wage relationships within establishments. In addition, data collection was completed in four survey areas where the industrial and occupational scopes were expanded. These test surveys, requested by OPM, are connected with proposed compensation reform legislation that would require that General Schedule (GS) salaries reflect local pay. Considerable planning for future survey activities relating to local GS pay policy was also completed in fiscal year 1979.

Work continued to upgrade the analytical approaches to industry wage studies using regression techniques, variance analyses, and the occupational pay matrix. In addition, a chartbook highlighting occupational pay structures and pay determinants was issued in late 1979.

Three new occupations were included in the annual survey of professional, administrative, technical, and clerical pay (PATC). The occupational expansion was at the request of the President's pay agent as part of a series of changes in the Federal pay setting process. Data on employee paid leave in the private sector were collected for the first time in 1979. The PATC survey was the vehicle for collection of this information requested by OPM for their new total compensation comparability project.

New studies continued to be added to the Industry Wage Survey program: Millwork and upholstered furniture in the 1979 fiscal year and savings/loan associations and electrical transmission equipment in 1980. Combining two or more related industry studies into one study through "survey umbrellas," initiated two years ago, has resulted in reducing data collection costs as well as providing a broader base for analyzing industry sectors.

A series of studies continued to provide data on the economic effects of the Fair Labor Standards Act. A nationwide study relating to May 1978 was completed, providing data on the frequency distribution by average hourly earnings and weekly hours of work of private industry employees classified by age, sex, and the Fair Labor Standards Act coverage status of the firms for which they work. A two-part study covering May 1979 was started to meet the needs of the Minimum Wage Study Commission. The first part will produce national data on employee earnings and hours in private industry comparable with those for May 1978. The second part will meas-

ure changes in employee earnings and hours and in the incidence of employee benefits from May 1978 to May 1979 in a panel of establishments that participated in the May 1978 survey.

In recognition of the growing importance of collective bargaining in the public sector, the Bureau expanded its coverage in *Current Wage Developments* of labor-management agreements involving State and local governmental units. In addition, the Bureau began to collect information needed to price key public sector labor agreements. Resources for these activities were made available by dropping the Wage Developments in Manufacturing survey, whose usefulness diminished with the development of the more comprehensive Employment Cost Index.

In the industrial relations area, a comprehensive bulletin based on an analysis of major agreements, *Wage-Incentive,, Production-Standard, and Time-Study Provisions*, was issued, and a similar study, *Employer Pay for Various Union Activities* neared completion. Collective bargaining reports were issued prior to 1979 contract expirations in the following industries: rubber, electrical machinery, meat products, and motor vehicles. A detailed report, *Work Stoppages in Government, 1977*, was published as was a release for all stoppages in the economy in 1978. Work on the 1979 *Directory of National Unions and Employee Associations*, to be issued in early 1980, [is] progressed on schedule. A study, *Earnings and Other Characteristics of Organized Workers*, generated widespread interest because, among other features, it contained for the first time data on workers of Hispanic origin. A *Bargaining Calendar for 1980* will be issued early in the 1980 fiscal year, to be preceded by an article on this subject in an issue of the *Monthly Labor Review*.

Productivity and Technology

BLS continued to strengthen and expand its program of research in productivity and technology. It analyzed factors contributing to the productivity slowdown, including the impact of capital formation, demographic changes in the labor force and, in the manufacturing sector, energy impacts.

Productivity measures for fluid milk, folding paperboard boxes, and soaps and detergents were added to the list of in-

dustries for which measures are published. About 88 separate productivity measures are now published in the manufacturing, mining, transportation, trade, communication, and service sectors of the economy. An updated bibliography on productivity was completed.

The series on productivity in the Federal government was refined and expanded to cover 347 organizations, up 28 from last year. Indexes for 1967-78 fiscal years were completed for 28 functional groupings of Federal agencies representing 65 percent of the Federal civilian work force.

Trends in manufacturing productivity and labor costs for 11 countries were updated during the year, and estimates of the comparative levels of compensation of wage earners in 31 countries were compiled. In addition, international comparisons of labor force, employment, and unemployment in nine industrial countries were updated. These measures provide insights into the changing competitive position of the United States.

Studies were made of the employment implications of automation and other technological changes. BLS also prepared reports appraising the impact of major technological changes on productivity, employment, and occupational requirements over the next 10 years on five major American industries.

The Bureau completed surveys on labor and material requirements for Federal office buildings and public housing. Surveys were begun for hospitals and shopping centers and retail stores. These studies measure the total labor and material requirements as well as the occupational distribution of the types of construction to serve as a basis for estimating the labor generating effects of construction programs.

Occupational Safety and Health Statistics

The introduction in Congress of several amendments to the Occupational Safety and Health Act, which would exempt small and/or "safe" employers from most safety and health regulations based on data from the 1977 Annual Survey of Occupational Injuries and Illnesses was of major importance to the Occupational Safety and Health Statistics (OSHS) program. The BLS assisted Congressional staffs and the Occupational Safety and Health Administration by submitting data on the number of employees and establishments potentially

excluded by the proposed legislation. The amendments were still under debate at the end of the year.

For the first time, information on the object or event which resulted in on-the-job deaths was obtained in the 1979 Annual Survey of Occupational Injuries and Illnesses. Each employer reporting a fatality was recontacted when necessary for a brief description of the fatality. The added detail will provide a new dimension on work-related fatalities, particularly as to patterns by industry classification. Results on 1978 fatalities as well as non-fatal injury and illness survey data were published in a news release. A press release is issued late in the year following the year of reference. Detailed injury and illness statistics become available a year later in two formats—a summary and bulletin. In 1979, detailed data for 1977 were published. States participating in the program release data on a similar schedule, and BLS publishes a summary of State statistics.

The national and State statistics records are designed to provide guidance to OSHA in carrying out provisions of the Occupational Safety and Health Act of 1970, in policy formulation and oversight information, and in specific information for employers, workers, and others involved in injury and illness prevention. To further assist employers, *Guides to Evaluating Your Firm's Injury and Illness Experience* were published. About 100,000 of these guides, designed to meet the needs of specific industry divisions, were prepared with the most recent data and distributed to employers during the year.

Reporting by States of injury and illness data based on workers' compensation first reports of injury under the Supplementary Data System (SDS) has produced a massive body of information on detailed characteristics associated with the accident event. This information, which supplements the industry-specific trend data derived from the annual survey, is transmitted to the Occupational Safety and Health Administration (OSHA) and the National Institute for Occupational Safety and Health (NIOSH) for use in meeting their respective program responsibilities.

This program, which has the advantage of obtaining expanded injury and illness information with no additional paperwork burden on employers, became operational in the

1978 fiscal year. In 1979, a wealth of SDS data dating back to 1976 was compiled and received from participating States; by September 30, 1979, data were available from 26 States for 1976, 29 States for 1977, and 6 States for 1978. State standard tabulations and records of individual cases are made available to accident preventionists and researchers through the National Technical Information Service. Special announcements are made to inform potential users of the availability of SDS information.

Several analytic presentations based on SDS data have appeared in the *Monthly Labor Review*. Analytic work is expected to be greatly expanded during the 1980 fiscal year. State agencies are encouraged and assisted in providing data and in expanding analysis of the State data.

Recordkeeping activities in 1979 were largely restricted to the maintenance of high quality standards by providing technical assistance to employers on questions regarding recordability and through dissemination of published materials on recordkeeping. Much of this work is coordinated with the BLS regional offices. No major revision of the recordkeeping system was introduced in 1979. In the 1980 fiscal year, refresher courses regarding recordkeeping will be given to employers through the various State Grant Agencies.

OSHS continued its Work Injury Reports (WIR) survey program in order to obtain detailed accident information directly from injured employees, information not available from either the annual survey or the SDS. Four studies were completed in the 1979 fiscal year, relating to ladder, scaffold, welding, and power saw accidents. In 1979, surveys began of injuries involving the head, foot, face, or eye to determine the use of personal protective equipment. Proposed subjects for study in FY 1980 include injuries related to lockout, overexertion, mechanical materials handling, foundries, and machinery.

The OSH Act requires statistical programs to meet Federal and State needs, encourages the participation of States in the programs, and authorizes grants to provide half the funding of State costs. Recordkeeping, annual survey, SDS, and the WIR surveys of injured employees all are carried out with the participation of State agencies. In the 1979 fiscal year, 50 States participated in the annual survey; 35 in the SDS; and

21 in the WIR.

In the special projects area, the State of Wisconsin completed its comprehensive study for BLS of State information sources on occupational disease to assess the potential for integrating them into a prototype reporting network to monitor the reliability of current occupational disease measures. Other activities aimed at improved usefulness of occupational injury and illness data included participation in committee work in the National Safety Council-sponsored National Program to Improve Occupational Injury Information; in working with OSHA and NIOSH to establish a surveillance effort of worker exposure to health hazards; and in the Department of Labor study of occupational disease in the United States, with special focus on respiratory diseases. In addition, a job-listing with definitions of duties based on selected environmental criteria, prepared for the BLS by the U.S. Employment Service, was made available to the public through the National Technical Information Service.

Economic Growth

Projections of the economy are prepared on a regular basis to determine both potential economic growth and future job requirements and output by industry under different assumptions. A system of models has been developed to make medium- to long-range projections of demand, output, and employment under alternative assumptions about Federal government policies and other factors.

The Office also prepares current summaries of the principal economic indicators and provides a monthly summary and analysis of short-term economic forecasts.

In the past year, the Office published a set of industry employment projections to 1980, 1985, and 1990. These projections reflect specific assumptions about labor force growth, unemployment, productivity changes, energy use, and changes in business and personal taxes. Two alternative cases were examined, one showing a moderate rate of growth in labor force and of decline in unemployment and the other showing a more rapid rate of growth in labor force and of decline in unemployment. To make these projections, an industry level data base and several past-year input-output tables were re-estimated, and most econometric models were

updated and revised. The Economic Growth system models were also updated, expanded, and provided with more sophisticated computer programs. These projections are presented in a bulletin, *Employment Projections for the 1980's*.

Other work in the past year included a project for the Department of Energy to develop a capital-labor model to analyze capital formation problems and their impact on labor productivity trends at the industry level. Also, a model and data base were developed for the National Aeronautics and Space Administration to study the industry effects of research and development on productivity. A capital stocks data base was developed for the BLS input-output industry sectors, and a bulletin describing the system was completed and will be published early next year. The Office also participated in an assessment of the potential effects of a teamsters strike. Publications produced during the year, in addition to the descriptions of the 1990 projections, were *Time Series Data for Input-Output Industries* and a *Monthly Labor Review* article, "An Evaluation of the BLS Projections of 1975 Production and Employment".

Management Initiatives

During the 1979 fiscal year, the Bureau of Labor Statistics continued its efforts to improve managerial and administrative processes. Efforts continued to expand career opportunities for women and members of minority groups, to improve the utilization of Bureau employees, and to improve the Bureau performance. The Bureau resurveyed most of the national organizations and the field as a part of its employee utilization program. Discussions are currently underway to determine how this effort can be integrated into the ongoing management process.

In the area of training, a number of programs were developed to meet the career development needs of Bureau employees. For example, a correspondence manual was developed for use by Bureau secretaries; an orientation sound-slide show was developed to acquaint new employees with the Bureau; automatic-data-processing training was expanded to meet a growing need; and an Upward Mobility program was developed to train clerical employees to become Computer Technicians.

A Bureau space standards manual was developed and put into use which provide an important management tool for establishing an equitable series of space planning and utilization standards for use in the allocation and redesign of office space.

Continued emphasis was placed on introducing and expanding functional automation in such administrative areas as personnel, budget, procurement, and training. During this period, the Bureau implemented an Automated Correspondence Control System to manage the Commissioner's and other high priority correspondence.

Occupational Safety and Health Administration

The Occupational Safety and Health Administration (OSHA) stepped up its pace in almost all aspects of job safety and health promotion and improvement as it intensified its "common sense" approach to ridding the American workplace of hazards.

A vigorous tempo was maintained in health and safety standards development, and in a wide range of activities including enforcement and compliance, education and training, information, worker rights, aid to small business and inter-governmental relations.

Health Standards

As the year ended, OSHA was on the eve of issuing a general policy to deal with one of the most important challenges it faces—the protection of workers exposed to toxic carcinogenic substances. At present the estimate is that one in every five Americans will die from cancer, more than 1,000 people daily, and government reports say that as much as 20 to 40 percent of all these cancer cases may be work-related. The purpose of the new generic cancer policy is to set forth a framework for identifying, classifying and regulating 1,500 to 2,000 potential carcinogens currently present in the American workplace. The policy aims at increasing the efficiency and effectiveness of the agency's cancer-controlling efforts by replacing the current case-by-case approach for regulating these substances.

Public response to OSHA's proposal on this policy far exceeded expectations. Public hearing testimony and written comment on the proposal totalled more than a quarter million pages drawn from expert opinion and participation from various sectors of industry, organized labor, environmental and other public interest groups, and trade and professional organizations.

Just before the fiscal year ended, President Carter's Regulatory Council issued the first government-wide policy for controlling exposure to carcinogens. This policy established

an overall framework for all federal regulatory agencies having various areas of responsibility. OSHA's cancer policy would be entirely compatible and consistent with the Council's policy, which aims at cooperative and complementary action by the various agencies through use of the same scientific bases for identifying carcinogens, assessing risk, setting regulatory priorities, and undertaking regulatory action.

Other highlights of OSHA's health standards development program included:

- Promulgation Nov. 13, 1978, of a new standard on worker exposure to lead with an effective date of March 1, 1979. Certain portions of the standard on engineering controls and work practices were stayed pending judicial review by the U.S. Circuit Court of Appeals for the D.C. Circuit, but as the year ended the main provisions of the standard were in effect.

- Near completion of final standards on worker exposure to beryllium and worker access to toxic exposure monitoring and medical records, while standards for abrasive blasting and hexavalent chromium were readied for proposal in early 1980.

- Publication of non-mandatory OSHA/NIOSH (National Institute for Occupational Safety and Health) guidelines covering 380 substances currently listed in 29 CFR 1910.1000 Tables Z-1, Z-2, and Z-3 while a proposed standard for all the substances was being considered.

- Research on four alternative proposals for a generic standard for pesticides covering workers exposed during the manufacture and formulation processes.

- Joint efforts with the Environmental Protection Agency for a proposed labelling standard. Though no decision had been made on possible joint OSHA/EPA rulemaking, a proposal—either jointly or by OSHA alone—was expected in the spring.

Safety Standards

"Streamlining" and "consolidation" were two key words in the agency's major efforts during the year on safety standards development. The fiscal year was less than a month old when OSHA revoked 928 provisions of its safety standards—provisions which were unneeded or unrelated to on-the-job protection but had been adopted wholesale from consensus

standards when OSHA came into being. The final revocation action eliminated about 10 per cent of the word volume of OSHA's general industry standards.

This was followed by the consolidation into one booklet of all OSHA general industry standards applying to the construction industry with the construction standards themselves. This eliminated the need for those in the industry to refer constantly to two rather than one set of standards. An ongoing review of the construction standards also is underway.

Meanwhile, streamlining, clarification and up-dating was well underway on two other major sets of OSHA standards—fire protection and electrical—which were selected for consideration on the basis of the large numbers of workers and workplaces affected.

A final rule on the fire protection proposal, which seeks to consolidate about 400 pages of regulations into 32, was expected during the early part of FY 1980. It emphasizes performance standards, which allow employers maximum flexibility in protecting workers against fire hazards.

The proposed changes to the electrical standards, introduced near the end of the year, also emphasize performance standards and would reduce the mandatory standards from about 250,000 to 15,000 words. The current standards set regulations by reference to the National Electric Code, which has provisions unrelated to job safety and health. The language of the proposed electrical standards is being simplified to make it more easily understood by workers and employers.

OSHA continues to comb its regulations for those which can be streamlined or simplified without sacrificing any worker protection.

As the year ended, final standards were expected on servicing procedures for multi-piece wheel rims for truck, bus and similar sized tires; and for perimeter guarding of low-pitched roofs.

Proposals and final rules also were due during FY 1980 on walking and working surfaces for general industry, to be coordinated with those on ladders and scaffolds, and floor and wall openings for construction; marine terminals; confined spaces; tunnelling; lockout and tagout of powered machinery, and scientific/technical diving. An advance notice of rulemaking, the first step for promulgating an OSHA stand-

ard, was expected early in FY 1980 for handling hazardous materials, but a proposed rule on this was not expected for more than a year.

Enforcement and Compliance

As the fiscal year ended, court decisions which will have important bearing on OSHA's enforcement and compliance activities were awaited. The U.S. Supreme Court is considering an appeal by OSHA of a lower court decision which vacated the agency's benzene standard, and will hear arguments on the right of workers to refuse hazardous work. This latter case involved two lower court decisions, one by the U.S. Court of Appeals for the Sixth Circuit (*Marshall v. Whirlpool Corporation*) upholding that right, and the other by the U.S. Court of Appeals for the Fifth Circuit (*Marshall v. Daniels Construction Company*), which ruled that employees did not have the right to refuse to do a job regardless of any safety or health hazards. Whirlpool has appealed the Sixth Circuit decision while OSHA is seeking clarification, since the Supreme Court earlier had refused a hearing of the agency's appeal on the Fifth Circuit case.

The U.S. Court of Appeals for the Third Circuit upheld OSHA's coke oven emissions standard, but word was awaited on whether the Supreme Court would accept a writ of certiorari from the petitioners.

Other litigation involved challenges to OSHA's cotton dust and lead standards in the U.S. Circuit Court of Appeals for the D.C. Circuit; the cotton ginning standard before the Fifth Circuit, and the arsenic standard before the Ninth Circuit. (Before FY 1980 was less than a month old, the D.C. Circuit upheld the validity of the cotton dust standard.)

Following the Supreme Court's decision in the Barlow case during the previous fiscal year ruling that warrant requirements applied to OSHA inspections, OSHA issued guidelines to all its field offices on dealing with refusals of entry by employers. During the year when 165,446 federal OSHA and state inspections were conducted 1,671 refusals of entry resulted. This was slightly more than one per cent, confirming the Court's and OSHA's view that most businesses would agree to inspection without a warrant.

OSHA continued to act resolutely in dealing with serious

violations. Berwick Forge of Berwick, Pa., was cited for 33 alleged willful and 166 serious violations of the agency's safety and health regulations with proposed penalties totalling \$340,200, the largest such penalty ever proposed by OSHA against a company.

Under the OSHAct, the agency may recommend cases for criminal prosecution if an employer willfully violates a specific OSHA standard and a worker dies as a result of the violation. To date about 20 cases have been referred to the Justice Department for possible criminal prosecution— most of them during this year.

In fiscal year 1979, federal OSHA inspected 57,937 workplaces for compliance with job safety and health standards. Of these, 41.0 percent were general schedule (programmed inspections), 34.8 percent were in response to workers complaints, 4.0 percent were accident investigations, and 20.2 percent were follow-up inspections to see if previously cited serious violations had been corrected.

As a result of these inspections, a total of 128,544 violations of job safety and health standards were alleged. Of these, 42,673 were for serious, willful or repeat violations with resulting proposed penalties totaling \$21,143,449; there were a total of 85,871 alleged violations of all other types, with proposed penalties totaling \$243,702.

Figures for FY 1978 and FY 1979 revealed that a large portion (37 and 32 percent of the totals) of OSHA's citations were for alleged serious, willful, and repeat violations whereas only 14 percent fell into these categories in FY 1977.

In FY 1979, the agency also instituted new procedures for screening and evaluating worker safety and health complaints, which enable OSHA's field personnel to concentrate their attention on the most acute workplace hazards. Though all worker complaints will receive proper attention, the new procedures will eliminate those less serious and reduce the backlog of such cases.

During the year, the Office of Field Coordination and Experimental Programs issued a new industrial hygiene field operations manual updating instructions for the handling of health inspections and giving the latest interpretations of policies and standards. The manual, which became effective June 4, was the result of a two-year review by OSHA area,

regional and national office personnel who worked closely with NIOSH officials. Extensive and intensive training sessions on the manual were held for OSHA's compliance safety and health officers (CSHO's). The new manual also is to become part of the agency's subscription service to enable subscribers to keep up with any additional changes as they occur.

Fiscal considerations limited the on-board strength of CSHO's during the year even after the Presidential hiring freeze was lifted in January. Thereafter, intensive recruiting efforts were resumed. The fiscal year ended with a net increase of 21 CSHO's over the 1,560 on board at the start of the year. However, as the year ended, the agency had 100 additional commitments for hiring in hand.

The Directorate of Technical Support provides scientific and engineering support for OSHA's standard-setting and compliance operations.

During a particularly busy year, the directorate:

- Initiated a joint cooperative effort with NIOSH and industry to study the health hazards associated with the petrochemical industry, and studied low-level radiation at an abandoned radium processing facility with NIOSH and the Department of Energy.

- Issued a health hazard alert on previously unidentified occupational hazards of the chemical NIAX Catalyst ESN. vinyl bromide. The latter has caused cancer in test animals.

- Hired a senior level economist for its office of regulatory analysis. In addition to regular economic and environmental studies, the office provides information and analyses on issues surrounding major standards such as those for cotton dust, benzene, and carcinogens.

- Implemented a priority system to improve the efficiency of samples taken in the workplace by CSHO's and the analyses of those samples.

- Increased access to technical data bases in its Technical Data Center, and offered direct field access to data bases in three regions. A pilot project demonstrated the reducing of a large volume of legal records on standard development to microfiche, while an experimental program was developed for computerization of case file data on noise control.

- Developed a model to establish priorities for health inspections based on the hazardousness of chemicals and the

number of people exposed.

- The medical support unit established an occupational medicine residency program. Staff in the medical unit was increased for support of OSHA's compliance and standards activities.

Education, Training and Information

The agency stepped up its "New Directions" grants program to increase the educational competence in job safety and health matters among employee, business, educational, and non-profit organizations. The agency awarded \$6.4 million in grants in FY 1979 and announced that this would be increased to \$13.3 million during FY 1980. Of this latter amount, \$2.3 million were new grants while \$11 million were for strengthening programs awarded grants the previous year. The grants for the next fiscal year make up about 6 percent of OSHA's budget whereas in 1976, only 0.7 percent of the agency's budget was for educational training.

During the last month of the fiscal year, OSHA held a national media seminar in Chicago to focus media attention on dangers in the workplace and the technology available to prevent occupational illnesses. About 400 people, including 100 from daily newspapers, labor and industrial publications, and others attended the two-day session on the various issues raised by the question: "Lost in the Workplace: Is There an Occupational Disease Epidemic?"

Worker Rights

Guaranteeing and protecting worker rights was the basic theme in much of the agency's activities, particularly in health standards development for worker access to toxic exposure and medical records; labelling, and medical removal protection in the lead and cotton dust standards.

Worker rights obviously was the central issue in much of the litigation involving the agency such as the Whirlpool and Daniel cases. The U.S. District Court for the District of Columbia upheld the right of workers to "walkaround" pay while accompanying OSHA officials on an inspection.

In addition, agency steps to promote and enhance worker rights included publishing a series of booklets, pamphlets and posters on worker rights and on Section 11(c) of the Act

which prohibits discrimination against a worker for exercising his or her rights under the Act. In FY 1979, some 2,951 discrimination complaints were filed, about the same level as the 3,000 filed the previous year but roughly four times the 750 such complaints filed in 1975.

During the year the largest back pay awards (about \$12,500 and \$18,500 respectively including benefits and interest) were made to two D.C. workers in a court-ordered settlement of a Section 11(c) discrimination complaint.

Aid to Small Business

An OSHA-funded on-site consultation service was available to employers in every state who want help in recognizing and correcting safety and health hazards. The service is primarily targeted for smaller businesses and is completely separate from OSHA inspection efforts.

In the OSHA "New Directions" grant programs, the ability to serve small business remains a primary criterion for evaluating applications for the grants. Much of the streamlining and rationalization of existing safety standards and recordkeeping requirements also are being carried out with the needs of small business very much in mind.

To establish still closer liaison with small business, the agency hired a special assistant for small business affairs. The main job of the special assistant is to be the principal spokesperson for OSHA's efforts and policies as they affect small business while also being, in turn, the main conduit for the flow of ideas from the small business world into the agency.

Intergovernmental Actions

OSHA participated in numerous cooperative and joint actions with other government agencies. OSHA and NIOSH, the two federal agencies most concerned with assuring safe and healthful American workplaces, signed an agreement April 17 which detailed moves for working closer together in their respective research and regulatory functions. Their coordinated and cooperative action cover priority setting, scheduling, contact representatives, technical assistance and support, information exchange, and policy discussions.

OSHA, along with the Employment Standards Administration and the Mine Safety and Health Administration, also

participated in an intradepartmental body, the NIOSH Planning Group, which coordinates and sets priorities for research needs of the department to assist NIOSH in its planning.

OSHA, the Environmental Protection Agency, the Food and Drug Administration, the Consumer Product Safety Commission, and the Food Safety and Quality Service make up the Interagency Regulatory Liaison Group (IRLG), which was formed in 1977 to eliminate waste and duplication through cooperative efforts.

During the year, the IRLG completed a study on the "Scientific Basis for the Identification of Potential Carcinogens;" drafted guidelines for health testing; identified and set up special task groups for 27 toxic substances of concern to two or more agencies of the group; developed a referral program under which inspectors from one agency notify those of another when they find possible violations of the other agency's standards; drafted guidelines for epidemiological studies; and published booklets and other material on the IRLG itself.

In another example of interagency cooperation, OSHA participated in the National Toxicology Program, established in November, 1978, to coordinate research and testing of hazardous substances. The NTP was established by agencies within HEW, but its executive committee includes the heads of OSHA, the EPA and CPSC, among others.

Other highlights of OSHA's intergovernmental activities included:

- An agreement with MSHA clarifying areas of jurisdiction as well as detailing coordinated activities such as joint rulemaking, training, shared facilities and technical assistance.

- A memorandum of understanding with the U.S. Army giving OSHA inspectors access to all of the Army's conventional ammunition plants run by private contractors.

- Near completion of a system to establish state occupational safety and health staffing levels (so-called "benchmarks") in response to a court order that all states with state plans have "fully effective" programs.

- Development of a new executive order for job safety and health rules governing federal workers. The new executive order is expected to be issued sometime during FY 1980

As the year ended, 24 states had their own job safety and health plans including Connecticut, whose plan covered only public sector employees.

Employment Standards Administration

Fiscal year 1979 was a time in which the Administration's overhauling and modernizing of the employment standards programs began to show improvement in management and procedure and reached new levels of program achievement. New records were attained in ESA's Office of Federal Contract Compliance Programs (OFCCP), Office of Workers' Compensation Programs (OWCP), and Wage and Hour Division.

Federal Contract Compliance

The Office of Federal Contract Compliance Programs (OFCCP) began the 1979 fiscal year with a complete reorganization, effective on October 8, 1978. OFCCP's staff of about 200 grew to over 1,300 employees in a nationwide network of 81 offices in 63 cities, when it absorbed the compliance responsibilities formerly scattered among 11 other federal agencies.

During the fiscal year, OFCCP embarked on an ambitious effort to bring its newly centralized enforcement of equal employment opportunity on federal contract work in line with more sophisticated and pressing workforce needs.

Reforms were initiated in virtually every area of the program's operations, enforcement and policy activities. Confusion and inconsistency often faced in the past by both federal contractors and their employees were largely eliminated.

One of OFCCP's most important achievements through reorganization was the merging of enforcement activities affecting all of the program's covered employee groups—women, minorities, religious and ethnic groups, handicapped persons and veterans. OFCCP compliance reviews now monitor all aspects of federal contractors' EEO and affirmative action obligations for these groups.

In FY 1979, OFCCP conducted more than 2,400 compliance reviews, with 5,400 predicted for FY 1980. In addition, OFCCP closed over 1,550 investigations of complaints received from individuals.

Since consolidation, the program has strengthened its enforcement posture, becoming an effective EEO program.

During the past fiscal year, OFCCP conciliated disputes with over 175 employers and obtained almost \$9.3 million in financial commitments to EEO and affirmative action.

Of this total, over \$3.7 million was back pay awards for some 2,100 employees of federal contractors—including \$3.4 million for women and minorities under Executive Order 11246 and \$317,000 for handicapped persons and veterans under Section 503 of the 1973 Rehabilitation Act and Section 402 of the 1974 Vietnam Era Veterans' Readjustment Assistance Act.

In other areas of enforcement, OFCCP filed charges of EEO violations, in the form of administrative complaints, against 19 companies, including 16 which failed to comply with their obligations to hire and promote handicapped persons and veterans.

Four companies were also declared ineligible to do federal contract work. One of these was the first to lose government business because of bias against a qualified handicapped worker. Another was the largest—in terms of contract dollars—to lose its eligibility.

This latter contractor—Uniroyal—was debarred in June from more than \$36 million in government business for refusing to cooperate with investigations of alleged race and sex bias at one of its facilities. Later the company was reinstated after agreeing to a multi-million dollar settlement.

To reflect OFCCP's enlarged enforcement scope and responsibility, its entire regulatory framework was revamped in FY 1979 integrating all OFCCP programs.

In addition, OFCCP initiated a complete overhaul of its entire regulatory framework. Among the first results of this long range project were new regulatory proposals designed to address certain "gray" areas of program operations. In some cases the regulatory changes were proposed to codify existing policy. In others the intent was to clear up confusion or misperception about program procedures.

In September 1979, OFCCP proposed a regulation outlining goals for minority workers in the construction industry. For the first time, these requirements would apply to every federal construction contractor, no matter where located. The

actual goals, based on the ratio of minority population to total population, were computed for 285 metropolitan areas and 183 outlying areas which together comprise the entire United States.

Standards for similarly placing women into the construction industry were issued in final form in April 1978.

Other standards proposed during the year clarified conciliation agreements between employers and OFCCP, set up new expedited hearing procedures for firms facing program sanctions and suggested a short summary of affirmative action results to be completed annually by contractors.

In addition, OFCCP issued an all-new contract compliance manual in FY 1979—the most comprehensive and up-to-date guidebook yet developed for field compliance work. The 470-page document was also offered for sale to the public through the U.S. Government Printing Office to encourage voluntary compliance by contractors and to provide information to other interested parties.

In the year following consolidation, OFCCP expanded its efforts in uncovering instances of systemic discrimination in the workplace and developing broad remedies for those affected employee groups. By the end of FY 1979, OFCCP field offices had conducted about 140 compliance reviews of contractors where affected classes of employees—those groups continuing to suffer the present effects of past discrimination—were identified.

OFCCP also settled a variety of these systemic problems—with major contractors such as Uniroyal, Chase Manhattan Bank, Consolidation Coal Co. and a large drug firm, Hoffmann-LaRoche. All provided back pay relief to employees adversely affected.

Nevertheless, litigation continues in this complex area with a number of other firms, including Kerr Glass Manufacturing Co., of Indiana; Honeywell, Inc., of Minnesota; and Harris Bank and Trust Co., of Chicago.

Computerization also aided OFCCP's enforcement efforts in FY 1979. New data systems, now under development, are compiling more complete information on the program's 250,000 federal contractors and subcontractors, and their combined employee workforce of close to 36 million persons. With this background, OFCCP can profile an employer's EEO

progress more completely and predict more accurately those facilities in need of review.

In FY 1979, OFCCP completely automated its huge correspondence operation, as well as its file of EEO complaints received from individuals across the country.

Also in progress at the close of FY 1979 was a new system for uniform checks of contract compliance in the \$50 billion federal construction industry—long a difficult one to monitor because of its transient workforce.

In addition, OFCCP maintained its enforcement focus on several other key industries—including banking, insurance and energy—where future employment opportunities were expected and major EEO problems were found to exist.

Although OFCCP conducted an increased number of compliance reviews in these industries, it also worked closely with them to develop broad affirmative action formats. Similar attempts were made with large, multi-facility corporations in the U.S.

The growing and changing responsibility of OFCCP after reorganization made training an important priority in FY 1979. As the year progressed, the compliance staff began developing more complex and specific skills to deal with complicated and subtle issues of EEO. Courses in handicapped and veterans EEO enforcement, Freedom of Information Act requests, advanced investigative skills, statistical analysis and cultural awareness training were developed.

OFCCP's training effort has enabled its entire staff—both in the field and the national office—to gain expertise in all facets of federal contract EEO and improve the professional quality of OFCCP relations with contractors and covered groups. The program also shared its expertise with constituent groups, participating in a number of seminars and training conferences. More of these educational efforts are planned for FY 1980.

Stringent quality control measures were also established by OFCCP in FY 1979, including uniform guidelines for employer compliance reviews and visits to field offices by headquarters staff. In addition to this internal improvement, OFCCP upgraded its working relationship with other EEO agencies on the federal, state and local levels.

In particular, the program joined with the Labor Depart-

ment's Employment and Training Administration (ETA) to link over 65 contractors' employment needs with federally-funded training resources, many sponsored under the Comprehensive Employment and Training Act (CETA). Such efforts provided job opportunities to women, minorities, handicapped persons and veterans in such industries as electronics, banking and maritime.

OFCCP's overall effort to reshape federal contractor EEO practices was further bolstered in 1979 by the Supreme Court's landmark decision in *Weber v. Kaiser Aluminum*. In that important "reverse discrimination" case, the Court upheld the concept of voluntary affirmative action where there is evidence of job bias in employment.

Worker's Compensation

Persons covered by laws administered by the Office of Workers' Compensation Programs (OWCP) experienced dramatically improved delivery of services during FY '79. The major emphasis in the Federal Employees' Compensation Act (FECA) program was on improving the quality and timeliness of services to clients.

In terms of production, the speed of processing traumatic as well as non-traumatic injury claims was greatly improved. Traumatic injury claims were processed 26 percent faster than they were in fiscal year 1978; nontraumatic injury claims were processed eight percent faster. Comparable improvements occurred in other production categories such as the making of compensation payments and the making of medical payments during the period.

Other program accomplishments included: reducing the time needed for rehabilitation referrals; strengthening technical assistance to employing agency supervisors and compensation clerks throughout the federal government on their responsibilities under FECA; initiating research projects to develop standards and criteria for complex employment-related diseases, and providing comprehensive training to both new and senior claims examiners.

By the year's end, approximately 70 percent of the long-term status cases on the periodic roll had been reviewed nationwide. This represents an increase of 13 percent over fiscal 1978, when 57 percent of the periodic roll was re-

viewed, and an actual improvement of 23 percent over the past fiscal year.

On-site field accountability reviews and an automated claims support system were two means of establishing FECA program accountability.

A joint rehabilitation pilot project with the U.S. Postal Service evaluated all former Postal Service employees receiving disability compensation benefits. The project was designed to return as many of these employees as possible to suitable employment through a variety of rehabilitation services. Based on the results of the pilot program, OWCP and the Postal Service began to design a national rehabilitation program to expand efforts to reemploy injured workers.

Administrative improvement and better service to claimants continued to be top priorities under the Longshoremen's and Harbor Workers' Compensation Act program. A comprehensive supervisory claims examiner training course was completed by all district office program heads. Increased technical assistance was provided to interested parties in the maritime industry on the entitlements and responsibilities under the act, and increased emphasis on providing speedier rehabilitation services and closer supervision of medical case care through the use of impartial examiners also was accomplished in fiscal 1979.

Quality control standards and performance goals were established to promote efficiency in case processing and to expedite service to claimants. In addition, on-site reviews and a comprehensive field reporting system have been established to obtain accountability for performance. The entire longshore procedure manual was revised and distributed to all district offices.

The major objectives of the Division of Coal Mine Workers' Compensation during the year were expeditious processing of claims, institution of quality control standards, and the establishment of performance goals.

More efficient internal procedures were introduced to expedite claims handling and processing; a network of field offices was established; additional staff were hired to provide better service to claimants; and procedure manuals and forms were revised consistent with the new Black Lung Benefits Reform Act signed by the President in March 1978.

The administrative and legislative changes brought positive results. Black lung benefits of \$583.1 million authorized by the Department of Labor in fiscal year 1979 amounted to over seven times the total paid out in the previous 5 years—\$78.8 million. During the year from August 1978, when regulations implementing the new law became effective, through September 1979, the department processed 148,000 of the 337,000 claims filed following its enactment. Decisions were made on 64,147 claims for monthly benefits, and 31,423 or 49 percent of them were approved for payment. Another 23,500 claims approved by the Social Security Administration were put into payment status; and medical treatment benefits were awarded to 60,440 claimants.

By the end of the fiscal year, the department was making decisions on claims at the rate of almost 11,000 a month—up from just over 800 a year before.

Of the \$583.1 million in benefits authorized during fiscal 1979, \$9.9 million was for medical examination and treatment for miners with black lung disease. As a result of the new legislation effective in 1978, all costs of the Labor Department's black lung program are borne by the coal industry. A companion measure to the Black Lung Benefits Reform Act—the Black Lung Benefits Revenue Act—was enacted to set up a trust fund financed by a tax on all coal mined. The proceeds of this trust fund are used to pay benefits in cases where the miner's coal mine employment terminated prior to Jan. 1, 1970, and in cases involving employment since that date where a responsible coal mine operator can be identified. Where responsible mine operators are identified, they bear the cost of payments.

During fiscal year 1979 the Social Security Administration paid out \$986,500,000 in federal funds to miners and survivors on claims filed with SSA before the Labor Department became responsible for the black lung program. No payments for medical treatment were provided for miners under the SSA program, and the 1977 reform act made miners receiving their black lung benefits under the SSA program eligible to receive medical treatment payments through the Labor Department program.

Thirty-two field stations were established during the year to serve as extensions to ESA's black lung district offices, to

provide direct assistance to individuals filing claims, and to furnish other information about the black lung program.

During fiscal year 1979, the Division of State Workers' Compensation Standards expanded its program of technical and other assistance to the states. A series of conferences on workers compensation was developed and coordinated by Legis 50, the Center for Legislative Improvement. Two such conferences were held to bring together on a regional basis state legislators, administrators and others interested in workers' compensation. The conferences were designed to facilitate exchange of information and ideas about workers' compensation issues and to increase the interest of legislators and others in addressing problems within their jurisdictions.

The Division initiated a program to provide, at a state's request, on-site technical assistance on statistics and information systems design for states working to establish or improve statistical, management and operations information concerning their workers' compensation programs. A similar program is conducted to assist state worker's compensation agencies with regard to their rehabilitation programs. Several of these technical assistance trips were made to different states during the year.

Technical reports on a variety of subjects were prepared at the request of other federal agencies and Congressional staffs. In addition, annual and special material was prepared for inclusion in the Monthly Labor Review publication; for issuance by the International Association of Industrial Accident Boards and Commissions; and for general distribution.

The Division began a review of the states' implementation of the 84 recommendations of the 1972 National Commission on State Workmen's Compensation Laws. State adoption of the 19 "essential recommendations" of this body is tracked by the Division. The purpose of the review of these criteria for improving state programs is to broaden the goal of reform to include areas which have been shown to be critical since 1972 (such as administration, rehabilitation, and safety and health) which were a part of the 84 but not of the essential 19.

Labor Standards

During fiscal 1979 the Wage and Hour Division completed 75,153 compliance actions under the Fair Labor Standards

Act. They disclosed that 426,000 workers had been employed in violation of the minimum wage provisions, involving \$54 million in underpayments. Violations of the overtime requirements of the act were disclosed involving almost \$70 million found owed to 287,000 workers. Employers agreed to pay over \$28 million to 30,800 workers for minimum wage violations and over \$45 million to 233,000 workers for overtime violations.

The major reason for the difference between the total money found due to employees and the amount employers agreed to restore was employers' failure to pay back wages in cases considered unsuitable for litigation by the department.

In these cases, complainants were advised of their rights under the FLSA to bring a private suit to collect the back wages due, plus an actual amount in liquidated damages, as well as attorneys' fees and court costs. Wages recovered in private employee suits are not reflected in the Wage and Hour Division statistics.

In June 1978, the Wage and Hour Division initiated a program of investigations targeted at industries and localities thought to have high concentrations of undocumented workers. The purpose of the program is to remove the economic incentive for employers to hire such workers, through the enforcement of the minimum wage and overtime provisions of the FLSA and similar laws.

During fiscal year 1979, 13,677 investigations were conducted under this special program. Back wages of over \$24 million were found due to 165,000 workers, and employers agreed to restore almost \$13 million to 112,000 employees.

The 1977 amendments to the FLSA established a Minimum Wage Study Commission and, among other things, directed the commission to determine the overall level of non-compliance with the act.

At the request of the Minimum Wage Study Commission, the Wage and Hour Division is undertaking a noncompliance survey to determine the level of non-compliance with the Fair Labor Standards Act. Data collected from 16,000 investigations will be studied and analyzed by the commission and will also be used by the Wage and Hour Division for allocating resources.

Special Minimum Wages: The FLSA allows for the pay-

ment of lower minimum wages to certain workers so long as employers meet Labor Department criteria and obtain special certificates from the department. The intent is to promote employment opportunities for handicapped workers, students and learners, among others.

During fiscal year 1979, approximately 700,000 workers were employed at the special lower minimums, about the same number as in the previous fiscal year.

Full-time students employed in retail or service establishments, agriculture and institutions of higher education, and handicapped persons employed in sheltered workshops continued to comprise about 98 percent of the workers employed at lower minimum wages.

Hearings were held on a petition filed by the National Federation of the Blind which seeks an end to the payment of subminimum wages for blind workers both in competitive industry or in sheltered workshops. A final decision on the petition is pending.

Child Labor: During fiscal year 1979 the Wage and Hour Division found nearly 13,000 minors employed in violation of Fair Labor Standards Act provisions. The number found working in nonagricultural occupations that had been declared hazardous by the Secretary of Labor increased from 3,674 in fiscal 1978 to 4,123 in fiscal 1979.

Amended regulations relating to pesticide standards for 10 and 11-year-old hand harvesters of short season crops were published under 29 Code of Federal Regulations, Part 575.5 (d)(1) to implement the 1977 amendment concerning the granting of waivers from the child labor provisions for the employment of these minors.

During the 1979 harvesting season, 109 applications were received from employers in Washington and Oregon; waivers were granted to 25 employers who met all the statutory requirements of the act and the regulations. Continuing action in the courts will influence further setting of pesticide standards for the 1980 harvesting season.

In the meantime, the department is looking into the effects of the level and type of pesticides and other chemicals used on the health and well being of young hand harvesters.

The department has established an interagency panel of experts in the pesticides field, with representatives from the

Environmental Protection Agency, the Occupational Safety and Health Administration, and the Department of Agriculture and Health, Education and Welfare. The panel will provide advice and assistance on the complex pesticide issue.

Also, an interagency agreement between DOL and EPA is being developed to pave the way for an effective pesticide protection program for young farmworkers.

Under the child labor civil money penalty provisions of the act, employers who violate the child labor provision may be fined up to \$1,000 for each violation.

During fiscal year 1979 about \$1.9 million was assessed under this provision for illegal employment of minors, the same amount as last year. However, the number of employers who were assessed increased from 966 to 1,144, and the number of minors affected increased from 8,618 to 9,781.

In the case of *Jerrico, Inc. v. U.S. Department of Labor et al*, the U.S. District Court for the District of Columbia held that the application of civil money penalties collected toward reimbursement of the costs of determining the violations and assessing and collecting such penalties was unconstitutional. The department was enjoined from assessing and collecting such penalties against Jerrico, Inc. The matter is on appeal to the U.S. Supreme Court.

The department is continuing to assess and collect civil money penalties pursuant to Section 16 (e) of child labor laws pending the Supreme Court's final determination of the constitutional issue.

The Work Experience and Career Exploration Program (WECEP) continued to aid 14 and 15-year-old minors in 20 states in their transition from school to work during fiscal year 1979.

Government Contract Labor Standards Laws: Back wages found due workers in fiscal year 1979 under government contract labor standards laws totaled a new all-time high of \$11.3 million, exceeding the 1978 findings of \$8.1 million by 39 percent. The David-Bacon and related acts, the Service Contract Act, the Contract Work Hours and Safety Standards Act, and the Walsh-Healey Public Contract Act all provide worker protection standards for employees on government contract work.

In addition to the 1979 record for back wages, corre-

sponding increases were also recorded in the number of workers underpaid (approximately 30,000) and back wages which employers agreed to restore (\$7.71 million). Additional monies will be restored upon completion of administrative hearing or litigation actions.

These significant improvements reflect added emphasis by the department on the enforcement of the government contract labor standards laws. A by-product of this increased enforcement activity has been the heightened public awareness of the rights of workers and the responsibilities of employers, which in turn has resulted in an increase in the number of complaints of violations of these statutes.

In addition, major revisions and updating of both the Davis-Bacon Act and Service Contract Act regulations (29 CFR Parts 1, 3, 4, 5 and 6) have been initiated. Publication of the proposed regulations is scheduled for early in fiscal year 1980.

During the 1979 fiscal year, 14,534 prevailing wage and fringe benefits determinations were issued pursuant to the Davis-Bacon and related acts. The law requires payment of prevailing wages and fringe benefits to employees of contractors and subcontractors engaged in federally financed or assisted construction projects.

Of the total determinations made by the Wage and Hour Division, 13,145 were project determinations and 1,389 were general determinations. This compared with 16,116 project determinations and 1,406 general determinations in the previous year.

During fiscal year 1979 the number of counties covered by general decisions increased by 248. This accounts in part for the decreased number of project decisions issued. General determinations are published in the Federal Register for use by any contracting or assisting agency on an appropriate project.

In areas not covered by general determinations, project determinations are issued to the contracting agency upon request.

Under the Service Contract Act, prevailing wage and fringe benefits determinations were requested by federal agencies for 39,923 contracts, a five percent increase over the number requested the previous year. Determinations setting

wage and fringe benefit standards for a wide variety of job classifications were applied to 30,309 contracts or about 76 percent of all Federal service contracts awarded during the fiscal year.

Farm Labor Contractor Registration: (Public Law 93-518, as amended, requires the Secretary of Labor to report on provisions of this act in the Annual Report of the Secretary).

The Wage and Hour Division continued to place special emphasis on the identification and investigation of the most flagrant offenders of the Farm Labor Contractor Registration Act (FLCRA).

In line with this priority, required training sessions in FLCRA enforcement were conducted for over 1000 Wage and Hour compliance officers, with particular emphasis on housing, safety and health.

Migrants' housing received particular attention during the year, and inspection of housing for compliance with safety and health standards was a major priority. So, too, was the provision of the act prohibiting the use of undocumented workers. FLCRA is the only federal law prohibiting an employer (the farm labor contractor) from knowingly using undocumented or unauthorized alien workers.

The public central registry—containing the names and addresses of all registered farm labor contractors and farm labor contractor employees who act as agents of contractors—was published monthly by the Wage and Hour Division. The division maintained a mailing list of subscribers, and registry information was also available through the Federal-State Employment Service.

Registration activity continued to show increases over the preceding year. During the first nine months of calendar year 1979, 8,739 contractors were registered; members of their crews totaled 519,521. The figures for all of calendar 1978 were 8,040 and 490,780.

In the first nine months of calendar year 1979, 98 certificate denials and revocations became final orders, up from 72 for all of 1978.

Five major cases were decided in the department's favor in the Ninth Circuit Court of Appeals. They involved Coastal Growers, Matilija Growers, S & F Growers and S.P. Growers (consolidated for purposes of appeal), and Point Sol Growers.

All five cases centered around the obligations under FLCRA of a growers' association which furnishes workers to its member growers, receiving from these growers an amount equal to its expenses.

The court ruled that reimbursement of expenses constitutes a fee under the act; that a "migrant worker," as defined by the act, need not be migratory; that growers' associations are not exempt under Section 3(b)(1) of the law; and that workers furnished to the associations' members are not supplied "solely for (the association's) own operation."

The department's determination that the associations must register in accordance with FLCRA was thus upheld.

A total of 5,708 compliance actions were conducted in fiscal year 1979. Of these, 608 arose from complaints. Nearly 3,100 of the cases revealed violations. Of the 145,070 crew members of investigated contractors, 2,243 were undocumented alien workers.

Most of the users' violations involved employing unregistered farm labor contractors or infraction of the recordkeeping requirements, while those of farm labor contractors and their employees were more diverse.

They involved such activities as failure to register; failure to post the terms and conditions of employment; failure to disclose to workers at the time of their recruitment the area of employment, the crops and operations on which they would be employed, wage rates, period of employment, information on transportation, housing and insurance (which the farm labor contractor is required to provide), and disclosure of any charges to be made by the contractor; employing undocumented aliens; and failure to provide proper vehicle insurance or providing unauthorized transportation.

Civil money penalties of over \$1.3 were assessed against almost 800 individuals for violations of the act.

In other developments the division issued 10 new opinion letters interpreting various provisions of the act.

Discussions were also begun with the Commonwealth of Virginia, leading to that state joining with New Jersey and Florida in issuing certificates of registration and identification cards to contractors and employees based or operating therein.

Mine Safety and Health Administration

The Mine Safety and Health Administration (MSHA) consolidated new responsibilities mandated by the Federal Mine Safety and Health Act of 1977, which became effective March 1978. Most regulations required by the Act have been issued or proposed, innovative training programs have been set in motion, and MSHA's penalty assessments program has been fully implemented. Enforcement activities have been strengthened, and include a new "resident inspector" program, a special Program in Accident Reduction (PAR) and a vastly increased inspection program in metal and nonmetal mines. New technological advances in mine safety and health were made, and MSHA broadened its work with labor, industry and the academic community to make the mining environment a safe and healthful place.

Coal Mine Safety and Health

Coal Mine Safety and Health representatives, operating from 10 district offices, 14 subdistrict offices, and numerous field offices located throughout the major coal-producing States, conducted 71,880 inspections and investigations at 2,143 underground mines and 3,550 surface mines during FY 79. These included 6,652 spot inspections at particularly hazardous underground mines.

The coal mine safety and health workforce numbered 1,830 at the end of FY 1979, of whom 1,420 were Authorized Representatives of the Secretary, including inspectors, district and subdistrict managers, engineers and specialists. Another 40 were in training to become Authorized Representatives, and the remainder were support personnel.

MSHA inspectors issued 140,760 citations to coal mine operators during the fiscal year for violations encompassing virtually the entire range of safety and health conditions and practices. Federal inspectors also issued 4,700 orders of withdrawal from coal mines or mine sections after finding immi-

nent danger. (Orders of withdrawal were also issued for other reasons.)

Coal Mine Safety and Health has established several programs directing resources toward critical areas to improve miners' protection. Technical and enforcement personnel evaluate mine operators' plans for roof control, ventilation, respirable dust, fire control, hearing conservation, and shaft sinking. "Impact" inspections by teams of inspectors provide a better total picture of safety and health conditions at a mine. Resident inspectors are assigned to large, complex mines and very gassy mines with high injury incidence rates and low mine profile ratings. Technical studies have shown the effectiveness of cabs and canopies on mobile equipment, of mounting sprays on auger miners, and of plugging abandoned oil and gas wells.

Coal mine operators have filed 150 petitions for modifications of safety standards with MSHA since Oct. 1, 1978. Of these, 47 have been granted, denied or dismissed. In addition, during the fiscal year MSHA eliminated a backlog of over 300 petitions transferred to MSHA from the Interior Department's Office of Hearings and Appeals as a result of the 1977 Act.

Coal Mine Safety and Health received 576 complaints of employers' discrimination against miners for exercising their rights under the 1977 Act. Of 163 cases now active, MSHA determined that in 61 cases there were violations of the Act's discrimination provisions. The Federal Mine Safety and Health Review Commission, before which MSHA files such cases, rendered 6 decisions in favor of miners.

In the first 11 months of the fiscal year, Coal Mine Safety and Health opened 138 other special investigations of civil or criminal violations of the Act, denial of entry, threats to inspectors, working in the face of closure orders, false reporting, miner transfers under section 203(b), and equipment misrepresentation. During this period 88 civil or criminal cases were opened and nine cases were referred to the Department of Justice.

To help ensure equitable enforcement of safety and health regulations throughout the coal mining industry, Coal Mine Safety and Health began reviewing "unassessable" citations and orders, and informing field managers of enforcement issues that need to be brought to the attention of inspectors.

Metal and Nonmetal

Metal and Nonmetal Mine Safety and Health, through its 6 district offices, 12 subdistrict offices and 71 field offices, conducted 18,200 regular inspections at roughly 850 underground metal, nonmetal and stone mines and about 14,000 surface mines, stone quarries, and sand and gravel pits. During these inspections, 44,000 citations and orders were issued for violations of standards and for imminent danger conditions. In addition to the regular inspections, metal and nonmetal inspectors also conducted 10,300 spot or compliance followup inspections during the year to check the abatement of hazards on which citations or orders were issued.

Two new activities related to noncoal mines, as a result of the 1977 Act, involved discrimination complaints filed by the miners and possible knowing and willful violation of standards by the operators. During FY 79, 166 special investigations were initiated as a result of complaints of discrimination and 106 special investigations were initiated on possible knowing or willful violation of standards.

As in past years, significant efforts were also devoted to accident investigations as well as the investigation of petitions for modification of safety standards submitted by individual mine operators. The Program in Accident Reduction (PAR) continued in FY 1979 and was directed to about 60 mines. The program is based on promoting good safety practices with emphasis on job safety analysis, accident prevention training, and safety awareness on the part of both management and labor. Special health projects conducted in cooperation with the National Institute of Occupational Safety and Health (NIOSH) also continued. Projects completed or in progress during the year include studies on exposure to diesel emissions and silica in underground mines, exposure to talc minerals, exposure to fibrous minerals, and the nature and extent of pulmonary diseases among cement workers.

A new memorandum of understanding with OSHA was signed, clarifying the areas of responsibility of the two agencies.

The more than 300 metal and nonmetal mine inspectors recruited in FY 78 completed the 12 week entry-level training at the National Mine Health and Safety Academy in Beckley, W. Va. The number of qualified metal and nonmetal mine in-

spectors thus increased from a little over 300 at the beginning of FY 79 to nearly 600 at the end of the year.

Standards, Regulations and Variances

The Office of Standards, Regulations and Variances, which coordinates MSHA's rulemaking process, completed standards and regulations mandated by the Act, and continued those rulemaking projects begun before the Act was passed.

Among the significant regulations promulgated in FY 1979 were those requiring each mine operator to have a health and safety training program for miners. These regulations, mandated by the Act and published on October 13, 1978, specify the kinds of training required and the procedures for obtaining approval of training programs. Regulations providing that mine rescue teams be available to each underground coal or noncoal mine for rescue and recovery work in the event of emergency are also required by the Act. MSHA proposed rules governing mine rescue teams on January 5, 1979, conducted a series of public hearings in June and July and anticipates publication of the final rule early in FY 1980.

Another extremely important set of final regulations published in accordance with the Act converts the metal/nonmetal standards from advisory to mandatory status. The original 229 advisory standards covered a wide range of health and safety issues in metal and nonmetal mining, many of which were both longstanding and difficult to resolve. With assistance from an advisory committee and from virtually all segments of the mining community, MSHA made numerous changes in the advisory standards which eliminated overlap and unnecessary recordkeeping, updated outmoded standards, and clarified language. The final 140 mandatory standards, published in August 1979, provide significant improvement in the safety protection afforded the nation's metal and nonmetal miners.

As required by the Act, MSHA prepared draft regulations pertaining to surface construction work on mine property. Because the hazards faced by surface construction workers are similar, whether the work is performed on or off a mine site, and in order to minimize industry disruption, MSHA proposed to effectively adopt the construction standards promulgated by the Occupational Safety and Health Administration (OSHA).

This will provide the additional benefit of having a single set of surface construction standards within the Department.

MSHA also published the following standards and regulations during FY 1979: proposed criteria by which MSHA would identify certain independent contractors under the Act; procedures and requirements for applying for, receiving, and administering state grants under the Act; recordkeeping and reporting requirements for radiation exposure in metal and nonmetal mines; prohibition of the kelly bar method of loading explosives in metal and nonmetal mines; and a revision of rules for self-rescue devices in underground coal mines which require self-rescuers to generate their own independent oxygen supplies. The new devices will afford miners a much greater degree of protection than those previously required.

Education and Training

MSHA training centers conducted over 700 informational meetings to assist in the preparation of training plans required by the Act and provided clarification of the new regulations. More than 20,000 training plans have been reviewed and approved.

To provide cooperative instructors for the industry, Education and Training provided a three-day instructor training course. Over 5,000 people were trained in these classes. Over 13,000 instructors were approved based on their past training and experience.

In FY 79 MSHA increased its funding to the State Grants program from \$4,000,000 to \$6,000,000. The program works through State agencies and State and community colleges to train instructors, assist operators with training plans, and assist small operators in the actual instruction of courses required by the regulations. During the year, 75,000 students were trained through the State Grants program.

MSHA films were shown to 24,000 audiences with an attendance of 600,000. Over 3,300 copies of MSHA film prints were sold to the mining community.

Education and Training held 17 mine rescue contests in various parts of the country for coal, metal and nonmetal mines.

MSHA's main training facility, the National Mine Health and Safety Academy, was transferred from the Department of

Interior to Labor. The Academy, located on 70 acres in Beckley, W.Va., is staffed by about 90 persons.

Technical Support

In FY 79, Technical Support completed 7,000 approval actions on equipment used in the mining industry, processed 590,000 respirable coal mine dust samples, and approved 25 Office of Surface Mining blasting plans. Technical Support's Health and Safety Analysis Center (HSAC) collected accident, injury and occupational illness data to facilitate program analysis and to predict areas of increased occupational hazards. A feasibility study and application development of machine-mounted respirable dust monitors were continued. Commercially available devices from four manufacturers and an electronic package to warn mining machine operators of high concentrations of respirable dust are being evaluated in actual mining operation.

Over 83,000 samples of airborne contaminants were analyzed to determine compliance with health standards, approximately 1,900 instruments were calibrated, and over 280 in-mine investigations of safety and health hazards were completed. Ventilation systems in nine mines were analyzed using investigative studies with laboratory and computer evaluation. Technical Support recommended approval of 75 mine waste impoundment plans and 30 devices for use in lieu of canopies.

Technological advances were made in the development of automated temporary roof support systems, and in the non-destructive evaluation of wire rope used in haulage of workers and materials. Progress was made in the use of satellite and aerial photography and in imagery analysis to detect geological features on the earth's surface that could cause ground failures in the mine and could seriously impact on mine planning and development. A statistical procedure to forecast an estimate of injuries and fatalities was developed and is being evaluated for validity.

Additional technical assistance was provided in training and in developing standards and regulations. Research efforts with the Bureau of Mines and the National Institute of Occupational Safety and Health (NIOSH) have been unified and are more effective in providing new technology to the mining industry.

The Office of Assessments

A special effort was made in FY 79 to reduce the time delay between occurrence of violation and issuance of regular assessment. Initial assessments under the formula system were made within 17 days of receipt of the violation in the Office of Assessments.

The special assessment unit was fully staffed and extensive on-the-job training was provided. The unit emphasized thorough collection of facts for violations receiving special assessments and issuing penalties consistent with these facts.

The assessment conference program continued to resolve most assessments. The conference provides an opportunity for the mine operator and the representative of miners to discuss violations and related initial penalties with assessment personnel. In virtually all cases where a conference was requested, MSHA responded by holding a conference and entering its findings within 30 days. Approximately 85 percent of all assessments were paid at the conference level, thus greatly reducing the number of assessments referred to the Federal Mine Safety and Health Review Commission for formal hearing.

During the year, 180,200 violations were assessed a total of \$28.7 million. Conferences were held on over 24,000 cases, and collections amounted to \$21 million.

Labor-Management Services Administration

Reduced paperwork, faster processing of regulations, and increased emphasis on enforcement highlighted administration of the Employee Retirement Income Security Act, (ERISA) which continued to be a major priority of the Labor-Management Services Administration during the 1979 fiscal year. Administrative improvements in the program reflected President Carter's government-wide efforts to streamline Federal regulatory programs and reduce paperwork. Suits filed by the Department as part of stepped-up ERISA enforcement resulted in Federal courts ordering more than \$25 million to be restored or otherwise preserved for pension plan participants.

Enforcement of the Labor-Management Reporting and Disclosure Act (LMRDA) required LMSA to handle almost 4,600 cases of delinquent or deficient reports. More than 900 other LMRDA investigations also were completed during the year, including 275 involving union elections. Some 52,600 reports from active labor organizations were on file under LMRDA.

The Department's interest in the construction industry and its importance to the nation's economy resulted in establishment of an Office of Construction Industry Services as a separate division within LMSA. The number of area Construction Coordinating Committees operated by LMSA was expanded to five with the establishment of committees in Boston and Denver.

Joint labor-management committees in the airlines and steel industries were given staff support by LMSA and a new program of employee protections was initiated under the Airlines Deregulation Act. A major change in the agency's labor-management relations activities occurred in January when the new Federal Labor Relations Authority took over primary responsibility for overseeing labor relations in the Federal Government.

More than 2,000 new cases were opened for veterans and members of military reserve units who needed LMSA's help in exercising reemployment and other job rights granted them

by law. Some 240,000 new veterans—a 20 percent increase from Fiscal Year 1978—were given information and assistance at military separation centers on their reemployment rights.

On the international scene, LMSA continued its close association with the Organization of Economic Cooperation and Development (OECD). The agency took a lead role in planning the future program of the OECD Working Party on Industrial Relations and prepared a report on significant recent changes in labor relations in the U.S. An LMSA delegation headed by the Assistant Secretary participated in a four-day conference between the Department and the Israel Ministry of Labor and Social Affairs that resulted in an agreement by the two nations to carry out a series of joint projects and exchanges of information on labor-management relations and other topics of mutual interest.

Pension and Welfare Benefit Programs.

Faster processing of new regulations and a sharp reduction in the backlog of requests for exemptions from the prohibited transactions provisions of the law marked administration of the Employee Retirement Income Security Act (ERISA) in Fiscal Year 1979. These administrative improvements resulted primarily from the President's Reorganization Plan No. 4, which was put into effect early in the year to reduce overlapping jurisdiction between the Departments of Labor and Treasury. The plan assigned specific primary jurisdictions to each of the Departments. The plan also directs both agencies to cooperate with the Office of Management and Budget in preparing a report to Congress on the impact of the reorganization. The report is due early in 1980.

Enforcement activities also were significantly strengthened. More than \$25 million was ordered by federal courts to be restored or otherwise preserved for plan participants during the year as a result of suits filed by the Department under ERISA. Protection of these plan assets is the initial result of an order issued early in the year by the Office of Pension and Welfare Benefit Programs (PWBP) directing field investigators to concentrate their efforts on significant fiduciary cases.

Paperwork requirements for pension plans were reduced

substantially during the year. The Plan Description Form EBS-1 was eliminated; a proposal was published to require a full report from small plans only once every three years; decreased reporting by employers who offer coverage by Health Maintenance Organizations was proposed; reporting of insurance coverage information was simplified; and a proposal to reduce reporting for apprenticeship plans was published.

Changes were made in the content, style, and format of the summary annual report (SAR) which every plan is required to furnish to each of its participants. The proposed revisions are designed to make the report easier to understand and more useful to plan participants and beneficiaries.

A major regulatory action was completed when the so-called prudence regulation clarifying the investment duties of a fiduciary of an employee benefit plan was published in the Federal Register on June 22, 1979. Regulatory proposals also were published to clarify ERISA fiduciary provisions concerning acquisitions, sales or leases of property and the definition of what will be regarded as "plan assets" under ERISA.

During the first nine months of calendar year 1979, PWBP ruled on 505 requests for exemptions from the prohibited transactions provisions of ERISA. Rulings were issued on only 180 exemption applications in all of calendar year 1978.

Continuing emphasis was placed on the production and distribution of publications and other educational material to inform the public about ERISA and their rights under it. Several publications were issued in Spanish. Of special interest was a brochure entitled "Know Your Pension Plan" designed to help people understand the provisions of their individual pension plans.

Labor-Management Enforcement Programs

There were 52,566 active labor organizations with reports on file under the Labor-Management Reporting and Disclosure Act (LMRDA) as of Sept. 30, 1979. In addition to 4,584 cases involving delinquent and deficient reports, LMSA completed 924 other LMRDA investigations during the year, including 275 involving union elections.

The Department instituted 50 civil actions under the Act in Federal District Courts, including 44 involving union elec-

tions and 2 to compel the filing of reports by unions and others. Thirty-eight individuals were charged with criminal violations of the LMRDA in indictments, criminal informations, or pre-trial diversions. Thirty-one persons, including some indicted in previous years, were convicted of LMRDA violations or agreed to pre-trial diversion of their cases. LMRDA charges against 2 others were dismissed.

LMSA received annual financial reports from 3,005 active labor organizations of Federal government employees. These reports are required under the Standards of Conduct provisions of Section 7120 of the Civil Service Reform Act of 1978 which, on January 11, 1979, superseded similar provisions in Section 18 of Executive Order 11491. LMSA completed 529 Standards of Conduct investigations during the year, including 20 involving Federal employee union elections and 475 involving delinquent and deficient reports.

An Election Advisory Unit (EAU) was established within LMSA in early 1978 to advise and assist national and international unions in the conduct of their officer elections as specified under the LMRDA. Since October 1978, the EAU has provided pre-election assistance to 38 unions, representing about five and a half million members, that have held or are scheduled to hold national and international officer elections in 1979-80. EAU is preparing to assist at least 40 of the 70 additional national and international unions that have officer elections scheduled for 1980. The EAU has also processed more than 150 written and telephone inquiries from national and international union officials and has participated in over 30 technical assistance conferences requested by union officers and representatives.

Labor-Management Relations

The Labor Department continued its policy of encouraging resolution of labor-management disputes with a minimum of direct participation. This policy was followed in negotiations in the railroad, petroleum refining, trucking, rubber, electrical products, meatpacking, automobile and farm implement manufacturing industries. Labor-management committees in the airlines industry and in the steel industry were given staff support.

“Early warning” reports covering negotiations which

could affect the national interest were provided to the Secretary and other key government officials.

The Labor-Management Services Administration continued its program of assistance to State and local government and public employee organizations to establish procedures for resolving labor-management relations problems. Upon request, LMSA provided technical assistance, information and data services, and training and conference activities to the participants in the non-federal public sector. It conducted special training seminars for newly appointed Public Employee Relations Board members, for labor and management representatives and for third party neutrals. It also provided technical assistance to a number of state and local jurisdictions in drafting public employee rules and regulations and in conducting representation elections.

The Urban Mass Transportation Act of 1964 provides that the Secretary of Labor certify that arrangements are made to protect the interests of employees affected by urban mass transportation projects assisted by the Department of Transportation. In the 1979 fiscal year, the department certified applications for assistance under the Act involving projects totaling in excess of \$10 billion. Similar responsibility was carried out under a number of other Federal statutes. A new program of employee protections was initiated under the requirements of the Airline Deregulation Act.

Construction Industry Services

The Chicago, San Francisco, and Kansas City Construction Coordinating Committees published bid calendars for government building projects in their areas. The committees are composed of representatives of labor, management, and government who seek ways to improve productivity and hold down inflationary pressures in construction. The bid calendars are an effort to list all upcoming government construction projects in an area so scheduling can be improved and construction activity spread more evenly throughout the year. The committees also studied and exchanged information on ways to enclose construction sites and other techniques for minimizing the effects of bad weather on construction activity.

New construction coordinating committees were started in

Boston and Denver, bringing the number of such committees to five. This expansion is in line with passage of the Full Employment and Balanced Growth Act of 1978 which emphasizes the need for cooperative efforts to achieve full employment.

The Office of Construction Industry Services, which was established in February 1979, directs and coordinates the activities of the construction coordinating committees. The office also maintains an extensive data bank on wages and benefits in the construction industry and monitors and reports on important developments in the industry.

Veterans' Reemployment Rights

The Office of Veterans' Reemployment Rights (OVRR) closed 2,159 cases during the year involving reemployment and job rights of veterans and members of the National Guard and military reserve units. The office referred 215 cases to the Justice Department for possible legal action after mediation between the complainant and the employer failed to resolve the complaint.

OVRR opened 2,022 new cases during the year. The number of new cases declined about 12 percent from the previous year; the number of cases closed declined about 3 percent.

Of the more than 2,000 cases opened, 46 percent involved reinstatement rights. Claims filed by members of the National Guard and military reserve units continued to rise, accounting for 40 percent of the total caseload. This reflects the growing importance of the reserve forces in the nation's military structure. About 10 percent of the cases opened during the year involved claims against state or local governments.

The number of military personnel being separated from the service who were briefed on their reemployment rights through the OVRR-2 procedure increased substantially from the previous year. Some 240,000 new veterans—an increase of 20 percent from Fiscal Year 1978—were given information and assistance at military separation centers on their reemployment rights. They also received information about other services available to veterans through the Department of Labor. Copies of the OVRR-2 referral forms filled out by departing military personnel at separation centers were supplied

by OVRP to the Employment and Training Administration to use in contacting and offering assistance to veterans in finding new jobs. OVRP also used these forms to send information on the reemployment rights law to the employers of the more than 76,000 new veterans whose forms showed that they had left a civilian job to enter the armed services.

During the year, the OVRP succeeded in expanding the protection of the program to additional job rights, including the right to work a 40-hour week, equalization of overtime, pension credits for time spent in military service, and attainment of employee-in-training status.

Policy Development and Research

Policy activities covered a broad legislative front, encompassing such issues as amendments to the National Labor Relations Act, pay reform for Federal employees, employee protection, and economic stabilization. In the employee protection area, attention was directed principally to the development of regulations implementing the Airline Deregulation Act which was enacted early in the fiscal year.

LMSA continued its close association with the Working Party on Industrial Relations of the Organization of Economic Cooperation and Development, taking a lead role in the future program of the Working Party, preparing a report on significant changes in labor relations in the U.S. in 1978-1979, and attending the annual meeting of the Working Party as the representative of the U.S. The Assistant Secretary and staff members also participated in a 4-day conference held in August between the Department and the Israel Ministry of Labor and Social Affairs; agreement was reached on activities in the labor-management relations area of mutual concern to the two Governments.

Policy efforts were aided by a program of research and analysis. The research staff completed a number of studies related to the administration and enforcement of the LMRDA. Additional studies were done for LMSA and other Federal agencies on national union constitutions affected by the 1978 amendments to the Age Discrimination in Employment Act, union officer turnover and succession to union office.

LMSA also funded studies done by other agencies and contracted for studies on labor relations, the labor movement

and the collective bargaining process. "Social Costs of Instability in Construction: A Preliminary Report" was published in FY 1979 and contracts were extended to continue the work on the social costs of seasonality and cyclicity in the industry. Another contract was awarded to examine the movement of aggregate worker-hours during seasonal and cyclical change in the construction industry in the Chicago area.

Other studies published by LMSA during the year were "Public Sector Unit Determination, Administrative Procedures and Case Law" and the "Impact of the 1974 Health Care Amendments to the NLRA on Collective Bargaining in the Health Care Industry." Reports funded by LMSA and published by other Federal agencies were "Labor-Management Relations in State and Local Governments, 1977", published by the Bureau of the Census, and "Earnings and Other Characteristics of Organized Workers, May 1977", published by the Bureau of Labor Statistics.

Administration and Management

LMSA administrative and management functions were streamlined during the year by establishment of the Office of Management, which was created by merging the Office of Planning, Evaluation and Systems and the Office of Administration and Management. The merger eliminated overlap and duplication of responsibilities and enabled the agency to provide management support services efficiently despite a cut-back in jobs.

Overhead expenses also were reduced by conversion of word processing and copier equipment from lease to purchase using the equity created by previous leasing agreements. Efforts to improve the budget process continued with the development of computerized budget documents and pricing models.

Bureau of International Labor Affairs

Major developments in the Department's international work and the activities of the Bureau of International Labor Affairs (ILAB) during the 1979 fiscal year included: participation in concluding the Multilateral Trade Negotiations (MTN) and in the passage of its implementing legislation; improvement of the trade adjustment assistance program; strengthening of mutually advantageous ties between the Department and foreign labor ministries through the "Department-to-Ministry" program; the expansion of technical cooperation programs with foreign countries; new publications to better inform the public about foreign labor; and the strengthening of the U.S. labor attache program.

Foreign Economic Policy

The Department was active in promoting the interests of U.S. workers in interagency and international discussions concerned with trade and other international economic policy issues.

The most intensive work involved participation in the conclusion of the Multilateral Trade Negotiations (MTN) and the subsequent drafting and passage of the Trade Agreements Act of 1979 to implement the MTN non-tariff measure codes. The most important of these codes covered subsidies and countervailing duties, product standards, government procurement, and aircraft. In the final stages of the tariff negotiations, the Department was active in analyzing employment implications of foreign country offers and in determining which U.S. offers should be withdrawn.

The Department's activities in the MTN involved extensive participation in the interagency policy development process in Washington and in the actual negotiations in Geneva. ILAB's foreign economic research program and its staff of international and labor economists played a major role in the detailed analysis and representational work. This helped to assure that the impact upon U.S. jobs was given appropriate

attention in the decision making process.

The Department continued its involvement in activities relating to U.S. economic policy toward developing countries. The Department was represented at the UNCTAD (UN Conference on Trade and Development) V Conference in Manila as well as in bilateral trade talks with Mexico and India. The Generalized System of Preferences (GSP), which grants duty free treatment to certain imported products from developing countries, is undergoing a five-year interagency review which may lead to recommendations for changes in the program.

The Department also continued its efforts to encourage the Minimum International Labor Standards (MILS) concept and to have it included on the agenda for the post-MTN GATT work program.

The Department helped formulate Executive Branch responses to cases where the International Trade Commission (ITC) made affirmative findings of import injury. In late 1978, the ITC found, after reconsideration of its previous negative decisions, that the metal fasteners industry and producers of high-carbon ferrochrome and wooden clothespins had suffered import injury. Relief was provided in those three cases. The President decided that relief was not in the national economic interest for domestic industries producing copper and bicycle tires and tubes.

As a result of an earlier Presidential decision to provide relief to the domestic color television industry, the Department helped negotiate bilateral restraint agreements with Taiwan and the Republic of Korea on imports of color television receivers. Import relief action in the form of orderly marketing agreements covering non-rubber footwear have been in effect since 1977 with the governments of Taiwan and the Republic of Korea. While these countries have been under restraint, imports from certain other uncontrolled sources have surged. In 1979, the Department participated in a series of consultations with some of these exporters in an attempt to moderate the surges and to maintain the effectiveness of the import relief action.

The President established an Export Council, consisting of representatives of both the public and private sector, including organized labor, to help in the formulation of export pol-

icy. The Secretary of Labor is a member. The Department participated in meetings of the full Council and in five of the six subcommittees established by the Council to deal with export promotion, export expansion, East-West trade, GATT and the MTN, and agriculture. The President also created a Policy Review Committee to formulate policy for establishing commercial relations with the People's Republic of China.

The Department continued to participate on interagency teams which consulted with our bilateral trading partners to resolve textile problems as they arose and to extend bilateral textile agreements as necessary. This work is within the framework of the Arrangement Regarding International Trade in Textiles (MFA) of the General Agreement on Tariffs and Trade. A new agreement was concluded with the Dominican Republic bringing to 19 the number of textile agreements in effect.

The Department participated in a series of negotiations and consultations with Hong Kong, Taiwan, and Korea in accordance with a formal commitment by the Carter Administration to assist the U.S. textile industry which had been severely affected by substantial import increases in 1978. The U.S. was successful in securing agreement from those countries to reduce the level of exports within their quotas.

The Department continued to serve on the interagency Trade Policy Committee. The President extended the import quota on specialty steel for an additional eight months to February 1980. The Department also continued to participate as a member of the OECD Steel Committee established in 1978 to develop longterm solutions to the problems of international steel trade.

Throughout the final phase of the MTN and the period during which the implementing legislation was being developed and considered by Congress, the Department continued its close consultations with the Labor Advisory Committees to insure that workers' concerns were taken into account by the Federal Government's policymakers. Consultations with labor experts on specific issues increased in number and intensity. The Trade Agreements Act of 1979 provides for the continuation of the advisory process and expands the scope of activities on which the Committees are to be consulted.

Foreign Economic Research

With increasing concerns about the practical employment impacts of foreign economic decisions, the Department expanded its efforts to analyze the effects of international trade, investment, and migration on U.S. workers and working conditions. ILAB staff initiated studies of the trade and employment impacts of the generalized system of tariff preferences for less developed countries, of granting most favored nation status to non-market economies, and of occupational health and safety and environmental regulations. A specialist on international migration was added to the staff to study the impact of migration on U.S. workers. The ILAB staff updated several studies, including analyses of the effects of trade on U.S. employment opportunities and the impact of the multilateral tariff reductions on U.S. trade and employment.

Contract research studies or reports were completed on important policy matters, including the effects on U.S. labor of foreign non-tariff barriers to trade, migration, multinational corporate investment abroad, and U.S. income taxes on foreign source income. Other completed research projects included a survey of the employment experience and characteristics of trade adjustment assistance recipients and an evaluation of the impact of plant closings on U.S. workers. New projects studied the impact on U.S. workers of international migration, of trade with the less developed countries, of community dislocations caused by imports, and of changes in U.S. comparative advantage.

Trade Adjustment Assistance

The Department improved the trade adjustment assistance program for workers adversely affected by increased imports. Efforts were stepped up to reach unemployed workers, both organized and unorganized, for whom the program's benefits were intended and to familiarize them with the program. Outreach presentations were made at numerous state AFL-CIO and international union conventions. ILAB and ETA (Employment and Training Administration) worked closely with the Economic Development Administration of the Department of Commerce through the Commerce-Labor Adjustment Action Committee (CLAAC) to reach workers, unions, companies, and communities adversely affected by imported

competition. Seminars were held for these groups in New York, Chicago, Los Angeles, and Atlanta. Plans were made for six more seminars in the coming fiscal year in St. Louis, Providence, Seattle, San Francisco, Cleveland, and Dallas.

CLAAC also improved cooperation and exchange of information between the Labor and Commerce Departments in such areas as layoffs and trade adjustment assistance activity. It began preparing a handbook of suggested actions for communities, unions and companies injured by plant closings. ILAB worked closely with OMB (Office of Management and Budget) in developing an Administration position on legislation under consideration in Congress for strengthening benefits to workers impacted by imports.

During the fiscal year, ILAB conducted investigations and reached decisions on 2,214 worker petitions, more than a 23 percent increase over FY 1978. A total of 881 cases were approved, and approximately 103,000 workers were certified as eligible to apply for adjustment assistance. Among the certified groups, workers in the steel, apparel, and footwear industries continued to figure prominently. Workers in the sugar, coal mining, and tire industries were also certified.

Trade readjustment allowances supplementing regular unemployment insurance provided under the program were expected to exceed \$250 million during FY 1979. Continued emphasis was placed on employability services—job search, training, and relocation allowances—during the year. The Department also prepared four studies under the Trade Act of 1974 of industries petitioning the International Trade Commission for import relief. The studies determined the number of workers that have been or may become eligible to apply for trade adjustment assistance. Clothespins, bolts, nuts, large screws, certain machine needles and stainless and alloy tool steel were studied and reported on to the President.

Foreign Labor Affairs

The Department took several significant steps in following through on last year's ILAB's initiative to develop "Department-to-Ministry" programs. The Under Secretary led a delegation to Japan in January 1979, the Secretary received a Mexican delegation headed by the Mexican Secretary of Labor in Washington in June, and led delegations to the

Federal Republic of Germany in June and to Israel in August. These meetings are being followed by seminars, exchange of information and expertise on labor problems common to industrial societies in such areas as training policies, labor management relations, occupational safety and health, employment and labor statistics and labor standards. Initiatives are contemplated with additional countries in FY 1980.

In May Secretary Marshall hosted a ministerial-level seminar featuring informal discussions on worker dislocation, employment policies during periods of inflation, and minimum international labor standards.

American Labor Attaches

During the year significant progress was made towards strengthening the U.S. Labor Attache program in the Foreign Service of the United States. At the request of Secretary Marshall, Secretary of State Vance agreed to grant Counselor of Embassy titles to the most senior officers. Secretary Vance also agreed that unqualified or underqualified Foreign Service Officers should no longer be assigned to important labor positions.

The Department of State appointed the second Labor Attache recruited from outside the Foreign Service in the past 11 years, both nominated by the Labor Department.

The Labor Department continued to participate in the management of the Foreign Service through the Board of the Foreign Service, the Board of Examiners, and the Foreign Service promotion panels.

Publications

The Bureau expanded its publications program to help improve the understanding in the United States of international issues which impact on labor and of U.S. domestic labor developments of interest to foreign audiences. The second in the Bureau's series of occasional monographs was published: *Industrial Democracy in 12 Nations*, by Harry and Joanne Bernstein. Twelve Country Labor Profiles were issued in the ILAB series to provide factual information and data on all aspects of labor in selected individual countries. The Bureau continued to supply U.S. labor officers around the world on a monthly basis with information on domestic labor develop-

ments for foreign dissemination. This information was made available in Arabic, English, French, and Spanish.

International Organizations

Although the United States withdrew from membership in the International Labor Organization (ILO) in November, 1977, representatives of the Department attended various ILO meetings, including sessions of the Governing Body and General Conference, as unofficial observers to monitor progress in the Organization. In addition, the Department provided staff support for the Cabinet Level Committee (CLC) on the ILO. One of the major tasks for the CLC involved preparation of a major analysis of the effectiveness of ILO standard setting and human rights supervision machinery. With other members of the CLC, the Department began analyzing whether the ILO had made sufficient progress to warrant consideration of possible U.S. re-entry.

During the year, the Department became an active participant in the North-South Debate. Through the U.S. inter-agency mechanism, the United Nations Economic Committee, the Department has taken part in various meetings and conferences of UN organs such as the Economic and Social Council, the UN Industrial Development Organization, the General Assembly and other international organs where North-South discussions are held. Documentation was prepared in a number of areas of interest to the Department and relevant to the North-South dialogue such as the human rights of migrant workers, technology transfer and redeployment of industries. A variety of new initiatives were made to insure full U.S. participation in the Inter-American Center for Research on Vocational Training (CINTERFOR). Besides providing funding for two projects, the Department is committed to actively participating in more CINTERFOR-sponsored technical meetings and conferences, as well as fostering relationships between U.S. vocational training institutions and CINTERFOR.

The Department continued to participate on a significantly increased level in the Organization for Economic Cooperation and Development (OECD), where it is responsible for U.S. participation in the Manpower and Social Affairs Committee and its seven working parties. The OECD member states

agreed, in response to a U.S. initiative, to hold a High Level Conference on the Employment of Women in April 1980, and work commenced to prepare the U.S. delegation. As a follow-up to the 1977 High Level Conference on Youth Unemployment, the OECD secretariat, at the Department's urging, set up a steering committee which is overseeing OECD program direction in this field.

Department representatives also worked with the OECD Trade and Steel Committees.

Human Rights

Due to the Department's participation in the Interagency Group on Human Rights and Foreign Assistance, ILAB expanded its activities in the area of workers' rights during the past year. The Department worked closely with the State Department and other agencies to focus more attention on the human rights of workers and worker organizations, particularly the freedom of association, the right to organize and bargain collectively, freedom from forced labor, freedom from discrimination in employment and the right to equal remuneration.

International Technical Cooperation

ILAB substantially expanded its program of technical cooperation with foreign countries. The new Development Cooperation Group (DCG) increased its direct participation in joint program development with AID's Office of Labor Affairs. This group began a comprehensive labor force development project in Jamaica, and also increased the number of traditional, smaller scale labor assistance activities in other developing countries. The activities included skill training, employment generation, labor market information, employment matching and placement, and management development and training. The recruitment system was refined and expanded to substantially increase the numbers of available experts for short and long term assignments.

The DCG also expanded its capacity to contribute to and learn from developing country programs and concepts, by initiating contacts and working relationships with international technical assistance organizations and by attending and participating in international conferences that dealt with de-

velopment issues.

ILAB's foreign-financed technical cooperation continued to place heavy emphasis upon the Saudi Arabian Vocational Training and Construction project (VOTRAKON). The ILAB-administered program has placed nearly fifty Americans and their families throughout the Kingdom of Saudi Arabia in connection with extensive curriculum development and facilities construction activities. Funded entirely by the Saudi government, the project is designed to greatly increase the number and abilities of Saudi skilled workers by means of a Kingdom-wide vocational training system.

The first group of Saudi trainees arrived in the United States in early fiscal year 1980. Intensive planning for the highly individualized programs of these instructors, administrators, and instructional materials developers, at five consortia of American training institutions, took place during the past year. Upon their return, these future leaders of Saudi Arabian vocational training institutions are expected to assume key roles in the kingdom-wide system. Included in this system are the construction of nine new vocational and prevocational centers and the expansion of fifteen existing centers, the establishment of an instructor training institute with an instructional materials development center, and the development of such related components as on-the-job training. Extensive vocational curricula for the initial eight basic trade areas, developed for this training system on-site in Riyadh, were approximately fifty percent complete. Master planning and design for the construction, supervised by the Department of Labor and the General Services Administration, were approaching their final phases.

U.S. foreign policy and international technical cooperation were enhanced through the hospitality and training extended by the Department to international visitors. During the year the Bureau arranged technical training and cultural exchange programs for 1400 visitors, of whom 770 were trade unionists, from 110 countries. The foreign guests were sponsored by the United States International Communication Agency, Agency for International Development, United Nations, International Labor Organization, and the AFL-CIO Regional Institutes.

The "Department-to-Ministry" program brought several

Ministers of Labor and many other ranking Ministry representatives to the U.S. for discussions and consultations. Two International Trade Secretariats held working conferences in the United States for which the Department provided assistance in obtaining grants, scheduling programs and arranging facilities. As the year came to an end, activities were underway to accommodate visitors who observed the thirteenth AFL-CIO Convention.

The Bureau, in conjunction with the International Communication Agency and U.S. Embassies, conducted a series of information seminars for Ministries of Labor of Costa Rica, Dubai (United Arab Emirates), El Salvador, Guatemala, Kenya, Mexico, Portugal, Spain, Thailand and Yugoslavia. These seminars covered such topics as labor-management relations, occupational safety and health, public sector collective bargaining, fiscal tax incentives in employment creation, and the role of women in the work force. The purpose of the seminars is to explain the role of American workers in U.S. social, economic and cultural affairs, to influence foreign audiences favorably towards the U.S., and to contribute to international understanding.

Office of the Solicitor

The Office of the Solicitor, handled a greatly increased workload in fiscal 1979, including legal work arising from the new Mine Safety statute which the Department began to enforce during the year. Other major areas of increased litigation occurred under the Occupational Safety and Health Act, the Farm Labor Contractor Registration Act and Executive Order 11246, which bars discrimination by Federal contractors.

In fiscal 1979, the 16 field offices of the Solicitor received 25,134 cases for review and possible legal action; filed legal actions in 13,213 cases; presented the Department's case in 988 trials and administrative hearings; and issued 2,427 written opinions. This is a 68% increase in the number of cases reviewed and a 56% increase in the number of legal actions filed.

Occupational Safety and Health

The Division of Occupational Safety and Health assisted OSHA's Office of Health Standards Programs in preparing a major new final standard protecting employees exposed to lead and developed final regulations on OSHA's generic "cancer policy" and on employee access to medical records and exposure records continued. As part of the overall program to reorganize, revise and update the national consensus standards promulgated as OSHA standards pursuant to 29 U.S.C. 655(a), two major safety proposals on electrical standards and fire protection were published in the *Federal Register*. In addition, new safety standards for multi-piece wheel rims and perimeter guarding of low-pitched roofs were proposed. The Division provided legal services during public hearings on several of these proposals.

Appellate litigation cases have continued to increase, with over 80 pending cases in the Courts of Appeals. On Oct. 10, 1979, the Supreme Court heard argument on the Secretary's

appeal from the Fifth Circuit's decision setting aside the Secretary's benzene standard. *Marshall v. American Petroleum Institute*, 581 F.2d 493 (C.A. 5, 1978), cert. granted Feb. 20, 1979 (Nos. 78-911, 78-1036). The Supreme Court also granted certiorari in *Whirlpool Corp. v. Marshall*, 593 F.2d 715 (C.A. 6, 1979), a case concerning whether employees have a right under OSHA to refuse to work under conditions which they believe present serious health or safety hazards. Other litigation has involved challenges to major rulemaking activities by the Secretary. In a major decision this year, the D.C. Circuit upheld the Secretary's cotton dust standards, *Cotton Warehouse Association et al. v. Marshall et al.*, Slip Op. No. 78-1736 (C.A. D.C., Oct. 24, 1979); that Court is at present considering the Lead Industries Association's challenge to the Secretary's lead standard. *United Steelworkers of America et al. v. Marshall* (C.A. D.C., No. 79-1048 and consolidated cases).

In addition to the OSHA enforcement cases, much appellate litigation concerned the Secretary's ability to obtain inspection warrants in accord with the Fourth Amendment and the Supreme Court's decision in *Marshall v. Barlow's Inc.*, 436 U.S. 307 (1978). Three Courts of Appeals have held that prior to seeking court of appeals review of the probable cause underlying an inspection warrant, employers must exhaust such claims before the Occupational Safety and Health Review Commission. *In re Worksite Inspection of Quality Products*, 592 F.2d 611 (C.A. 1, 1979); *Babcock and Wilcox v. Marshall*, Slip Op. No. 79-1641 (C.A. 3, Nov. 16, 1979); *Marshall v. Central Mine Equipment Co.*, Slip Op. No. 79-1251 (C.A. 8, Nov. 5, 1979); *contra, Weyerhaeuser Co. v. Marshall*, 592 F.2d 273 (C.A. 7, 1979). This issue is now pending before the Fifth Circuit in *Marshall v. Baldwin Metals Co., Inc.* (No. 79-2548) and in *Marshall v. Mosher Steel Co.* (No. 79-2870).

The Division also reviewed 420 adverse Administrative Law Judge's decisions and in 135 of these cases filed a petition for review of the Judge's decision with the Review Commission in Washington. One hundred and forty briefs were filed with the Commission. Among the more significant issues briefed were: The validity of the first decision affirming violations of OSHA's coke ovens emissions standard,

which was predicated on a continuum theory of employer obligations arising under the old Coal Tar Pitch Volatiles standard; the requirements for work-practice controls under the asbestos standard; and the seriousness under section 17(k) of the Act of a condition known as argyria, a physical disfigurement caused by exposure to silver. Additionally, in 5 cases, the Division presented oral argument before the Review Commission.

Other litigation activity included the review of approximately 23 fatality inspections for possible criminal prosecution under section 17(e) of the Act. Approximately 14 cases were referred to the Justice Department with a recommendation that the employer be criminally prosecuted. In addition, the Division reviewed approximately 80 discrimination claims to determine whether it would be appropriate to file suit under section 11(c) of the Act.

The Division also engaged in extensive trial litigation. It represented the Secretary in approximately 80 contested cases arising in the District of Columbia, and in 10 cases arising in OSHA Region V (Chicago).

State plans activities have increased significantly. In addition to monitoring and evaluation functions, the Division has been involved in litigation with two States, New Mexico and Wyoming, and has devoted substantial time and effort to the response to the District Court's implementing order in *AFL-CIO v. Marshall*, 570 F.2d 1030, January 28, 1978. The New Mexico case arose from an attempt by the State to enjoin the Secretary of Labor from conducting Federal inspections in the State. The District Court dismissed the action, holding that the State could demonstrate no injury which entitled it to relief. The Wyoming case arose from a controversy concerning the State's system of exclusively criminal, as opposed to civil, penalties for enforcement of OSHA standards. The State brought suit in Federal District Court in the State seeking an opinion that the State's criminal penalty system was adequate. Proceedings brought by OSHA to withdraw approval of the plan have been preliminarily enjoined by the same court. The Wyoming plan is the first state plan OSHA has ever sought to withdraw.

The court's order in *AFL-CIO v. Marshall*, directed OSHA to establish enforcement staffing levels for each State

with an approved plan which will assure a "fully effective" enforcement program. Establishing these levels has required an extraordinary effort by the agency, and has required the extensive involvement of the National Advisory Committee for Occupational Safety and Health, the designees from all States with approved plans, as well as the AFL-CIO. OSHA expects to file its report to the court early in FY 1980.

Petitions requesting the withdrawal of the State plans of South Carolina and Virginia were also investigated and acted upon, and a project was initiated to completely revamp OSHA's system for monitoring State plans.

Employee Benefits

The Division of Employee Benefits represented ESA's Office of Workers' Compensation Programs at all levels of the adjudication process involving claims filed under Federally administered workers' compensation programs. Appellate litigation continued its rapid increase with approximately 100 appeals being filed with the courts of appeals under the Longshoremen's and Harbor Workers' Compensation Act and 55 filed under the Black Lung Benefits Act. In fiscal 1979 more than 1500 appeals were filed under the Federal Employees' Compensation Act, a dramatic increase over the 805 appeals filed in the previous year.

The Supreme Court in the case of *P.C. Pfeiffer Co. v. Ford*, No. 78-425, decided November 27, 1979, unanimously accepted the Department's position that the "status" test for coverage under the Longshoremen's and Harbors' Compensation Act is satisfied by "any worker who moves cargo between ship and land transportation." Hence the Act's coverage of "longshoring" operations is not limited to the immediate "stevedoring" operations of moving cargo onto or off a ship, but includes as well the "terminal" operations of handling, sorting, and caring for the cargo between shipside and trucks or rail cars.

The Supreme Court also held, in *Director, OWCP v. Rasmussen*, 99 S. Ct. 903, that the maximum benefits limitation for total disability provided by section 6(b)(1) of the Longshoremen's and Harbor Workers' Compensation Act does not apply to death benefits which must be awarded pursuant to the statutory formula without any maximum dollar

limitation.

In an important case involving occupational disease, the First Circuit held that a compensation disability may be premised on restrictions on a worker's exposure to employment conditions, imposed because of early diagnosis of occupational disease, notwithstanding that the disease was not yet so serious as to cause any physical limitations or impairment of function. The express Congressional intent to provide the fullest measure of job safety and health, which would be frustrated if the worker were required to continue exposure until the disease was functionally disabling before making his claim, was cited in support of this conclusion. *Bath Iron Works v. White*, 585 F.2d 569 (1st Cir. 1978).

The Second Circuit has ruled that any person whose principal duties are performed on navigable waters, as understood before the 1972 amendments, is engaged in maritime employment under the Amendments. *Fusco v. Perini North River Associates*, 601 F.2d 659 (2nd Cir. 1979). This decision is in clear conflict with a 1976 decision of the Ninth Circuit, and review by the Supreme Court is being sought by the employer.

In an extraordinarily complicated case involving a worker with a disabling heart condition, contributed to by two jobs, one subject to Federal coverage and the other subject to state coverage, the Fifth Circuit approved the Benefits Review Board's full award for total disability against the Federally-covered employer, notwithstanding that the worker had accepted a settlement offer from the other employer without the Federally-covered employer's approval.

In the Black Lung program the issue most frequently litigated before the Benefits Review Board and courts of appeals was the liability of the Black Lung Disability Trust Fund for payment of attorneys' fees in various situations. The Black Lung Benefits Reform Act of 1977 relieved coal companies of liability on the Trust Fund. The Courts of Appeals for the Third, Fourth, Fifth and Sixth Circuits held the Trust Fund liable for the payment of claimants' attorneys fees in these situations, as well.

The Director, in cases before the Benefits Review Board, has conceded Trust Fund liability for attorneys' fees in all cases, whether involving pre- or post- 1970 employment, in

which the Office of Workers' Compensation Programs opposed entitlement to benefits.

On May 18, 1979, the United States Court of Appeals for the Fifth Circuit upheld the position of the Director against challenges to procedures used in the adjudication of black lung claims. *U.S. Pipe and Foundry Co. v. Webb*, 595 F.2d 264 (5th Cir. 1979). The court held that medical reports, although hearsay, are admissible at administrative hearings on black lung claims and may constitute substantial evidence. The court also upheld against constitutional challenge, the procedure under the prior regulations whereby OWCP notified the potentially responsible operator only after the claim had been developed on an initial determination of entitlement made.

During FY 1979, the Supreme Court denied a petition for writ of certiorari in *Higgins v. Marshall*, 584 F.2d 1035 (D.C. Cir. 1978), in which the court of appeals upheld the Secretary's interpretation of Section 203 of the Federal Coal Mine Health and Safety Act, as amended. The court held that a miner who transfers to a less dusty area of the mine may not receive less pay than he was receiving immediately prior to the transfer, and that the statute did not require that, after the transfer, he indefinitely receive the wage increases applicable to this former position.

On Sept. 28, 1979, the Court of Appeals for the Third Circuit accepted the Director's argument that the Benefits Review Board, in finding an administrative law judge's attorney fee award improper, cannot determine what the proper award should have been but must, instead, remand the case to the administrative judge for proper findings. *Director v. U.S. Steel and Baluh*, No. 78-2684.

At the Benefits Review Board level, the most significant decision during FY 1979 was *Fletcher v. Central Appalachian Coal Co.*, 9 BRBS 342 (Nov. 30. 1978), in which the Board, on our motion for reconsideration, held that once a miner has established inability to perform coal mine work because of pneumoconiosis, the burden of proof then shifts to the party opposing the claim to show that pneumoconiosis did not prevent the miner from engaging in comparable and gainful work. The opponent must actually identify the types and locations of jobs requiring the miner's skills, and show

that the miner would have reasonable opportunity to be hired.

In *Blevins v. Peabody Coal Co.*, 9 BRBS 510 (Dec. 29, 1978), the Benefits Review Board set standards for proving that a miner's disability arose from cigarette smoking, rather than coal mine employment. That case is pending appeal before the Court of Appeals for the Sixth Circuit.

Finally, in a series of cases, the Benefits Review Board has held that contingency fee arrangements and stipulated fees are contrary to the statute and regulations.

Several significant issues are being litigated in the more than 500 Black Lung claims referred for hearing before the Office of Administrative Law Judges. Of particular significance is whether a coal mine employer may be liable to pay benefits to a person whose claim had previously been denied by the Social Security Administration but was subsequently approved on the basis of the 1978 amendments to the Black Lung Benefits Act. In one case presently on appeal to the Benefits Review Board, *Yakubco v. Republic Steel Corp.* (79 BLA 87) the administrative law judge ruled that the statute mandates that the liability be imposed on the coal mine employer and not the Black Lung Disability Trust Fund.

Attorneys from the Division also reviewed comments received on the Department's permanent criteria for determining whether a miner is or was totally disabled or died due to pneumoconiosis.

In many instances, State automobile no fault insurance laws prohibit a person from recovering damages for economic loss as a result of personal injuries from the negligent party. Recovery from such party is limited to damages for pain and suffering while economic losses (medical expenses and lost wages) are to be covered by the injured person's insurance policy or workers' compensation. The question then arises: is the United States entitled to reimbursement for payments made under the Federal Employees' Compensation Act, which are for economic loss, from an employee who has recovered damages for non-economic losses from a third party. The Department has insisted that so long as "damages" of any kind are recovered from the tortfeasor for the injury, the United States is entitled to recover its disbursements. On Sept. 19, 1979, the United States District Court for the Eastern District of Michigan agreed with our position and granted summary

judgment in *Ostrowski v. Roman Catholic Archdiocese of Detroit, et al.* An appeal has been noted.

On May 14, 1979, the Department's authority to establish standards for determining the degree of job-related hearing loss compensable under the FECA and to apply such standards to pending claims was sustained. *Zehm v. United States of America, et al.* (W.D. Wash.). In another significant decision the court held that the FECA is the exclusive remedy against the United States for injuries sustained by a Federal employee resulting from medical malpractice occurring while he was being treated by the Public Health Service. *Scalai v. United States* (S.D.N.Y.).

Division representatives participated in discussions being held with officials of the District of Columbia Government to effectuate an orderly transfer of the responsibility for processing and adjudicating claims filed by employees of the District of Columbia. The authority for adjudicating such claims, previously granted to the Department under the FECA was transferred to the District of Columbia on May 3, 1979, by virtue of section 2346 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Law 2-139) and section 204(e) of the District of Columbia self-Government and Governmental Reorganization Act (P.L. 93-198). ESA and OWCP were also advised that all employees of the Panama Canal Company or Government, including non-U.S. citizens, who are transferred to the Panama Canal Commission or to an Executive Agency of the United States by reason of the Panama Canal Act of 1979 (P.L. 96-70) would continue to be covered by FECA. Any non-U.S. citizen hired by the Panama Canal Commission would be covered by the Social Security System of the Republic of Panama rather than FECA.

Fair Labor Standards

The Department won several important victories in the courts of appeals during the past year, in cases arising under the Fair Labor Standards Act (FLSA) and the Age Discrimination in Employment Act (ADEA). In *Marshall v. Victoria Transportation Co.*, 603 F.2d 1122 (C.A. 5, 1979), the Fifth Circuit held that employees of a bus company operating wholly within a city adjacent to the Mexican border are "en-

gaged in commerce'' and covered by the FLSA because the buses regularly transported substantial numbers of persons on their way to or from Mexico. The decision is particularly important because its language and reasoning could apply to any transportation company operating adjacent to another state or an international border.

In *Hodgson v. Griffin*, 595 F.2d 1228 (C.A. 9, 1979), the Ninth Circuit held that a district court has only very limited discretion to deny injunctive relief (including restraint against withholding of overtime compensation) when FLSA violations are proven. The appellate court rejected numerous reasons the lower court had given for denying an injunction, including the fact that the employer and employees had understood that no overtime compensation would be paid; that the wages paid were higher than the minimum wage; and that payment of overtime back wages might work a serious economic hardship on the employer.

Two major court of appeals decisions defined the government's duty to seek voluntary compliance before filing suit under the ADEA. In *Marshall v. Sun Oil Co. (Delaware)*, 605 F.2d 1331 (C.A. 5, 1979), the Fifth Circuit held that the government need not separately discuss and document each individual claim during conciliation in a large scale discrimination suit. When the employer refused to rebut or discuss the statistical evidence, and merely denied any wrongdoing, the Department's duty to conciliate ended. And the Tenth Circuit held that even where the Department's efforts at conciliation are not completely satisfied prior to commencing suit, a court should not dismiss, but should stay the proceedings for further conciliation. *Marshall v. Sun Oil Co. of Pennsylvania*, 592 F.2d 563 (C.A. 10, 1979).

In *Oscar Mayer & Co. v. Evans*, 441 U.S. 750 (1979), the Supreme Court held that although prior resort to state remedies is required in a private action under the ADEA, failure to commence state proceedings does not justify dismissal of the federal suit; rather the federal action should merely be held in abeyance while the state is given an opportunity to act. Department attorneys had assisted the Solicitor General's office in the preparation of the government's brief and oral argument. Subsequently, in *Marshall v. Chamberlain Mfg. Corp.*, 601 F.2d 100 (C.A. 3, 1979), the Third Circuit held

that, unlike a private ADEA plaintiff, the Secretary has direct access to the federal courts. These ADEA decisions will significantly reduce the number of cases which are dismissed for technical procedural deficiencies.

In the trial litigation area, one of the Department's largest FLSA suits was favorably settled this year (*Marshall v. Bechtel Corporation*, D. Alaska). Bechtel agreed to pay approximately \$3 million in back wages to employees who worked without overtime compensation on the Alaska pipeline.

In our litigation against the United States Postal Service, the U.S. District Court for the District of Columbia ruled that three different groups of private employees could not intervene to participate in our litigation; that ruling has been appealed to the U.S. Court of Appeals for the District of Columbia, where we are participating in support of the intervention. We have filed a motion for partial summary judgment in the district court claiming that the Postal Service cannot deny liability for the "regular rate" and "suffer or permit time" violations, or for liquidated damages, because of prior district court rulings on those same issues in private litigation.

The Department received its first decision interpreting the meaning of section 3(e)(2)(C)(III) of the FLSA, which exempts state and local government employees who "serve on a policymaking level" from the FLSA and the Equal Pay Act. In *Marshall v. Union County, North Carolina*, (W.D. N.C.), the U.S. District Court for the Western District of North Carolina upheld the Department's position that county magistrates who performed routine judicial functions were not "policymaking" officials and therefore were subject to the protections of the Equal Pay Act.

The Department received another important victory under the Age Discrimination in Employment Act in *Marshall v. Goodyear Tire & Rubber Co.*, 19 EPD ¶8973 (W.D. Tenn. 1979). The U.S. District Court for the Western District of Tennessee ruled that Goodyear's policy of hiring younger employees for "heavy" production jobs at its Union City, Tennessee, manufacturing plant had resulted in unlawful discrimination against 572 older applicants for employment. The court concluded that Goodyear had failed to meet its burden of proving that age was a bona fide occupational qualification

reasonably necessary to performance of the jobs in question. The outcome of this case, which now awaits a decision on the measure of damages, could affect industrywide practices similar to those maintained at all Goodyear production facilities.

Favorable settlements were reached in three major age discrimination and equal pay cases: (1) in *Sandia*, an ADEA case, back wages of \$1,700,000 were agreed to for 1600 employees who did not receive timely pay increases because of their age; (2) in *Youngstown Sheet and Tube*, damages of \$295,000 were agreed to for 29 employees who, during a reduction in force, were discharged because of their age; and (3) in *Lord and Taylor*, back wages under the Equal Pay Act totalling \$482,000 were agreed to for female employees working as seamstresses, sales people, and department managers.

As part of the Administration's reorganization of functions relating to the enforcement of equal employment opportunity programs, responsibility for enforcing the Age Discrimination in Employment Act and the Equal Pay Act was transferred to the Equal Employment Opportunity Commission on July 1, 1979 (Reorganization Plan No. 1 of 1978). Top staff from the Fair Labor Standards Division and the EEOC General Counsel's Office met for several months to arrange an orderly and effective transfer of legal functions.

The most important steps taken to implement the transfer, and to assure that the programs were turned over without backlog, included: (1) entering into a memorandum of understanding with EEOC as to both basic principles and certain details concerning the transfer; (2) conducting a week-long training program for EEOC supervisory attorneys, with extensive outlines of the ADEA and EPA (this program was video-taped for later presentation to all EEOC attorneys who will be involved in enforcing these laws); (3) preparing written analyses of all files referred to the Solicitor's Office by the Wage and Hour Division for consideration of legal action, and filing complaints in all appropriate cases; (4) answering all requests for legal opinions and advice; and (5) identifying cases to be retained by the Department after the transfer date because trial preparation was so far advanced that it was impracticable for new lawyers to assume responsibility.

Prior to the transfer, the Fair Labor Standards Division worked closely with the Wage and Hour Division to complete work on regulations, interpretative bulletins and opinions relating to the ADEA and the EPA.

Most of this effort was devoted to the ADEA, which was amended by expanding the age group protected by the Act, effective Jan. 1, 1979, from those between 40 and 65 years old to those between 40 and 70 years old. The amendments also clarified Section 4(f)(2) of the Act, leaving no doubt that involuntary retirement on account of age is not excused, even though permitted or required by a pension or other employee benefit plan. This amendment, which in effect reversed the Supreme Court's ruling in *United Air Lines, Inc. v. McMann*, 434 U.S. 192 (1977), took effect on the date of enactment (April 6, 1978) for employees between ages 40 and 65, and on Jan. 1, 1979, with respect to most employees between the ages of 65 and 70. There was a delay in the Jan. 1, 1979, effective date for certain employees covered by collective bargaining agreements and for tenured employees at colleges and universities. Certain high-paid executives and policymakers between ages 65 and 70 were completely exempt from the amendment to Section 4(f)(2).

In response to Congressional requests that the Department provide detailed guidance on how the ADEA applies to employee benefit plans, the Department published in the *Federal Register* on May 25, 1979, a lengthy revision to its interpretative bulletin on that subject. This final interpretation was based on a review of over 300 written comments and two days of testimony on a proposed interpretation which had been published in Sept. 1978.

The Fair Labor Standards Division also worked closely with the Wage and Hour Division to assure completion of three other ADEA regulations or interpretative bulletins prior to the time the program was transferred to the EEOC. One of these dealt with the exemption which permits involuntary retirement because of age after age 65 of certain executive and high policy-making employees who are entitled to an annual pension benefit of at least \$27,000. The exemption specifically required the Department to consult with the Secretary of the Treasury in promulgating a regulation on the computation of the \$27,000 annual benefit. A proposed regulation and in-

terpretation on this exemption were published in the *Federal Register* on Dec. 12, 1978. On the basis of numerous comments received from interested parties, the Department prepared a slightly revised version and sent it to the EEOC in mid-June of 1979. Following consultation with the Department of the Treasury and other agencies, the EEOC published the final version in the *Federal Register* on Nov. 21, 1979.

Another interpretation dealt with the delay in the effective date for tenured employees at colleges and universities. This provision permits the involuntary retirement of such employees between ages 65 and 70, on account of age, until July 1, 1982, when it is repealed. The Department published a proposed interpretation in the *Federal Register* on Dec. 12, 1978, and sent a slightly revised version to the EEOC in mid-June of 1979, after having reviewed all comments on the original proposal. The EEOC published the final version in the *Federal Register* on Nov. 21, 1979.

The last interpretation of the ADEA prepared by the Department involved the Section 4(f)(2) amendment, which made clear that employee benefit plans do not excuse involuntary retirement based on age, and also provided a delay in the effective date for certain employees covered by collective bargaining agreements. The Department sent a proposed interpretation to the EEOC in late June 1979; the EEOC published it in the *Federal Register* for comment on Nov. 30, 1979.

In a separate development, the Division assisted the Wage and Hour Division in issuing several opinion letters interpreting the scope of the Supreme Court's decision in *National League of Cities v. Usery*, 426 U.S. 833 (1976). (In that case, the Supreme Court ruled that the minimum wage and overtime compensation provisions of the Fair Labor Standards Act could not constitutionally be applied to State and local government employees who are engaged in "traditional" governmental activities.) Specifically, the Department took the position that State liquor stores, off-track betting operations, and local mass transit systems were not "traditional" within the meaning of *National League of Cities*, and hence were subject to the FLSA's minimum wage and overtime provisions. Determinations with respect to other governmental activities will continue to be issued.

General Legal Services

In the international area, the largest single activity was the Division's legal assistance to the Office of Trade Adjustment Assistance (OTAA). This included defending appeals brought against the Department challenging its denials of worker adjustment assistance; enforcement of subpoenas in the Federal district courts; review of the Department's administrative reconsiderations granting or denying adjustment assistance; and drafting of proposed legislation and amendments to the regulations.

The Division was successful in defending those cases where adjustment assistance had been denied because the statutory criteria had not been met. For example, in *Machine Printers and Engravers Association v. Marshall* (C.A.D.C. 1979), the court upheld the Department's interpretation of the phrase "like or directly competitive" (for purposes of determining which imports compete with domestic products).

Attorneys advised the Bureau of International Labor Affairs (ILAB) on legal matters relating to foreign economic policy such as the recently concluded round of multilateral trade negotiations. With respect to international investment issues, attorneys represented the Labor Department at meetings of the United Nations Commission on Transnational Corporations, drafting a Code of Conduct for multinational corporations. Attorneys also monitored the labor situation in South Africa and drafted policy and position papers for congressional hearings, and interagency consultations.

Litigation activity under the Farm Labor Contractor Registration Act continued to increase during fiscal year 1979. There were 582 contested licensing and penalty cases received for referral to the Office of Administrative Law Judges; 3 administrative appeals were filed by respondents in the United States District Courts seeking to overturn decisions favorable to the Department of Labor; 49 actions were initiated by the Department of Labor in the United States District Courts seeking injunctions against violations of the Act; 6 cases were pending in the United States Courts of Appeals seeking judicial determinations relating to the Act's construction; and 5 appellate court decisions upholding the Department's interpretation of the Act were rendered.

Among the issues appealed by respondents is the applica-

tion of the term "on no more than an incidental basis" which is one of the criteria which determines whether an employee must register in accordance with the provisions of the Act. The Department's position that registration was required was upheld under the specific facts in *Marshall v. Buntings' Nurseries of Selbyville, Inc.*, 459 F. Supp. 92 (U.S.D.C. Md.).

Among the cases pending in the appellate court are four cases involving the Department's interpretation of the terms "personally" and "solely for his own operation" as used in Section 3(b)(2) of the Act. At issue are whether a corporation can or cannot act "personally" and whether the particular companies involved were performing covered activities for others rather than exclusively for themselves.

In five cases decided by the Court of Appeals for the Ninth Circuit, the court sustained the Department's position that the Act's definition of workers covered is a broad one and stated that "the term 'Migrant worker' means an individual whose primary employment is in agriculture, . . . or who performs agricultural labor . . . on a seasonal or other temporary basis. This definition is obviously a term of art, having no reference to workers with migratory tendencies."

There have been major developments this year in the area of child labor enforcement. The Supreme Court will decide the constitutionality of the civil money penalty provisions of Section 16(e) of the Fair Labor Standards Act in *Marshall v. Jerrico*. At issue is the District court's holding that section 16(e) violates the due process requirement of the Constitution by permitting the use of money collected as penalties under the Act to reimburse the cost of enforcing the child labor provisions.

Another major case is *Washington State Farm Bureau, et al. v. Marshall*, which is pending in the Court of Appeals for the Ninth Circuit and which challenges the district court's determination that the Secretary of Labor improperly applied the provisions of section 13(c)(4) of the Fair Labor Standards Act to 10 and 11 year old hand harvesters of berries. In overturning the Secretary's regulation establishing specific pesticide standards for the employment of these children, the district court ordered the Department of Labor to apply EPA standards despite EPA's official position that such standards were developed for adult workers.

In a similar case, *National Association of Farm Worker Organization, et al. v. Marshall*, pending in the Court of Appeals for the District of Columbia, the district court found that the Secretary "acted consistently with the terms of the statute and the intent of Congress" in issuing pesticide regulations pursuant to section 13(c)(4) of the Act.

The area of Veterans' Reemployment Rights continues to be active with over 100 administrative case files, 60 trials and eight appellate cases cleared through this division. In *Peel v. Fla. Department of Transportation*, 600 F.2d 1070 (C.A. 5, 1979) and *Jennings v. Illinois Board of Education*, 589 F.2d 935 (C.A. 7, 1979), cert. denied, 99 S. Ct. 2417 (1979)), the Court, ruled that the 1974 amendments to the Act, extending coverage to State and local government employees, did not violate the 10th or 11th amendments to the Constitution.

In *Usery v. First National Banks of Arizona*, (C.A. 9, Nov. 3, 1978), the United States Court of Appeals for the Ninth Circuit rejected the position of the Department in holding that the garnishment protection provisions of Title III of the Consumer Credit Protection Act do not apply to earnings placed in a bank account.

In an opinion issued on March 9, 1979, the Attorney General advised the President that the authority of the Office of Federal Procurement Policy to direct procurement policy throughout the Executive Branch does not include the power to overrule the program agencies in their interpretation of the substantive aspects of the statutes governing socio-economic programs such as the Walsh-Healey or Service Contract Act.

A long-standing dispute over Service Contract Act coverage of contracts of the Federal Reserve Banks for custodial, currency-hauling and other services was resolved. The Department of Justice concluded that the Banks are agencies of the United States within the meaning of the Act in an opinion issued September 26, 1978. When the issue was raised in *Brink's Incorporated, et al. v. Board of Governors of the Federal Reserve System, et al.*, 466 F. Supp. 116 (D.D.C. 1979), the court reached the same conclusion. The Federal Reserve Banks have accepted the decision.

Plan Benefits Security Division

The Division of Plan Benefits Security significantly in-

creased the number of cases in litigation and its issuance of regulations and exemptions in the year ended Sept. 30, 1979. The cases resulted in recovery of over \$20 million in assets for the benefit of plan participants and beneficiaries. Much of this amount was recovered through voluntary compliance efforts by plan fiduciaries undertaken at the request of the Department. The Department, however, was also successful in its litigated cases, both in terms of recovering significant amounts of plan assets and in terms of establishing important precedents under the Employee Retirement Income Security Act of 1974 (ERISA).

The Department won two significant court decisions during this fiscal year. In *Marshall v. Snyder* (C.A. No. 77-C-116)(S.D.N.Y.), the court ordered defendant George Snyder to repay Local 806 benefit plans \$1,262,500. This judgment followed a consent decree in which the remaining defendant trustees agreed to repay \$400,000 to the plans they served. The case establishes the important principle that plan fiduciaries will be held personally liable for excessive amounts of plan assets expended. The court held that the plan fiduciaries had paid an excessive salary to Mr. Snyder in his function as plan administrator and had authorized the payment by unreasonably high sums for the furnishing of plan offices.

In *Marshall v. DeKeyser*, (C.C.A. No. 77-C-276) (W.D. Wisconsin), the court ordered the repayment of \$600,000 and removed the defendants as trustees. The court held that, despite the defendant-trustees' uncertainty about the applicability of ERISA to their plan, if the plan meets the definition of plans covered under ERISA, the trustees are subject to the strict fiduciary requirements of the Act. The Court also held that liability under ERISA could extend to individual corporate officers who perform fiduciary functions on behalf of a corporate fiduciary. Finally, this is the first case under ERISA to hold that liability exists under ERISA against third-party non-fiduciaries who knowingly participate in a trustee's breach of his obligations.

In addition, the Department has successfully negotiated consent decrees in a number of significant cases. For example, we negotiated a consent decree providing relief for the Union Leader Retirement Profit Sharing Plan in *Marshall v. Loeb*, (C.A. No. 77-311) (D.N.H.). Pursuant to the decree,

E.F. Hutton Co. was appointed as the independent investment manager for the plan and was expressly ordered to sell 1250 shares of stock in Union Leader Corp. held by the plan. The amount realized by this sale resulted in the doubling of the amounts credited to each participant. In addition, the order provides for the payment of approximately \$200,000 in fees and costs to attorneys representing private plaintiffs involved in the suit.

On Oct. 9, 1979, the Northern District of California approved a settlement in *Marshall v. Cohn* (C.A. No. 79-768). The Secretary had alleged that trustees of the Servicar of Northern California Employee Stock Ownership Plan had violated their fiduciary duties under ERISA by causing the plan to purchase nearly \$1,000,000 in debentures issued by the sponsoring corporation at a time when the corporation was suffering substantial losses of business. The settlement provides for the removal of the trustees, termination of the plan and redemption of the debentures in cash. After termination, a successor trustee will distribute this cash to participants.

In addition to these cases, the Department has filed several new cases presenting important issues under ERISA. On March 29, 1979, the Secretary filed suit against the Unicorn Group, an investment manager, and three of its general partners. *Marshall v. Unicorn Group* (C.A. No. 79-1658). This is the first suit filed by the Secretary involving independent investment managers. The suit alleges that as investment manager for the Pension Plan of the Pension and Welfare Fund, Mid-Jersey Trucking Industry (Teamsters Local 701), Unicorn violated ERISA, causing the Plan to lend \$3.5 million to Dunhill Brown Corporation and to lend a half million dollars to a company called Dunhill Brown Shippers although the trustees knew or should have known that the investments were imprudent.

Another significant suit filed in fiscal 1979 was *Marshall v. Tricario* (C.A. No. 79-914). The suit arose out of the purchase of whole life rather than term insurance policies to fund a death benefit, a practice which the Department alleged was imprudent under ERISA. The plan's insurance consultant was named as a defendant as were several non-fiduciaries involved in the sale of insurance to the plan. The complaint also alleges violations in connection with a kickback and the division of

plan assets. Four other suits involving comparable issues have also been filed in the same district court. All of these actions arose out of the efforts of a task force set up to investigate the operations of certain South Florida plans.

Finally, the Department filed a suit alleging fiduciary violations in connection with the acceptance by the plan trustees of certain realty of unknown market or income-producing value as repayment for a loan in default and the release of the guarantor of the loan from personal liability on the note. *Marshall v. Fenney*, (C.A. No. 79-622). Recently, the court, acting on our request for interim relief, removed the defendant trustees in favor of a temporary receiver and stayed the suit pending the conclusion of grand jury proceedings directed at the conduct of one of the trustees in connection with his plan dealings.

During the year ended Sept. 30, 1979, the Department was occupied with implementing the President's Reorganization Plan No. 4 which, among other things, gave the Department sole jurisdiction over fiduciary matters arising under ERISA. The year saw a significant increase in the publication of proposed and final regulations and class exemptions over the prior year. The Department published a number of proposed and final regulations and class exemptions designed to reduce reporting burdens under ERISA, provide guidance with respect to the operation of various statutory provisions and grant relief from certain statutory restrictions. Among the most important were a proposed regulation published on Dec. 19, 1978, concerning the circumstances in which it is permissible for an employee pension benefit plan to suspend the payment of benefits to a retiree. Section 203(a)(3)(B) of ERISA authorizes the promulgation of regulations setting forth the circumstances and conditions under which the right of a retiree to a benefit payment is not treated as forfeitable solely because the plan provides that benefit payments are suspended during certain periods of reemployment.

Another significant regulation, published on June 26, 1979, related to the investment of plan assets under ERISA's "prudence" requirements. The regulation provides that the plan fiduciary making an investment decision shall have made a determination that the investment or investment course of action is reasonably designed to further the purposes of the

plan, taking into consideration the risk of loss and opportunity for gain involved. The regulation also contains other provisions clarifying the conditions which will determine whether a particular investment is prudent.

Labor Relations and Civil Rights

During the year, the National Office filed three administrative complaints under the Executive Order 11246, as amended, *OFCCP v. Brown Transport Co.*, *OFCCP v. Wykoff Transfer Co.*, and *OFCCP v. Dewitt Transfer Co.* Each of these cases raises important issues of coverage under the Executive Order, as well as the defendants' refusal to comply with the affirmative action provisions of 41 C.F.R. Part 60-2. The Division also spent substantial efforts in discovery in virtually all of our previously filed cases, many of which involve complex systemic or pattern and practice discrimination.

The Division was able to successfully negotiate five consent decrees in pending administrative enforcement cases. *OFCCP v. Blatz Construction Co.*; *OFCCP v. Skipper & Co.*; *OFCCP v. Hahn and Clay Machine and Boiler Works Inc.*; *OFCCP v. Michelutti Brothers Construction Co.*; and *OFCCP v. Feature Ring Inc.* The consent decree in *Hahn and Clay* involved a previously debarred contractor which entered into a settlement as a prerequisite to gaining reinstatement as an eligible contractor. In the *Feature Ring* decree, the employer agreed to a consent debarment.

Three National Office cases were tried and completed during the fiscal year. *OFCCP v. Hughes Aircraft*, *OFCCP v. Coldwell Banker*, and *OFCCP v. University of California at Berkeley*. Four other major enforcement cases were in trial at the close of the year. *OFCCP v. Priester Construction Co.*; *OFCCP v. Honeywell Inc.*; *OFCCP and Department of the Treasury v. Harris Bank and Trust Co.*; and *OFCCP v. Kerr Glass Company*. These cases, which were all nearing conclusion of trial at the end of fiscal year 1979, were some of the most voluminous, complex and time consuming of any cases thus far litigated in the Executive Order program. The *Kerr* case, called the Department's first equal pay for work of equal value case, has drawn considerable attention because of the Department's contention that the female entry job of

selector packer was discriminatorily undervalued and underpaid under the glass industry job evaluation plan in relation to the male entry job of carton stacker.

The Division received five major recommended decisions from administrative law judges. In *OFCCP* and *DLA v. Hughes Aircraft*, where the government alleged that the termination of a black supervisory employee was based on race, the administrative law judge found against our contentions, holding that any difference in treatment was explained by legitimate business reasons. In a second *Hughes Aircraft* case, where the government alleged that the defendant's maternity leave policies discriminated against women, the administrative law judge found in favor of the contractor. In *Defense Logistics Agency* and *OFCCP v. Warner and Swasey*, where the government had charged that the contractor had placed minority employees in certain positions because of their race, the administrative law judge found that the evidence failed to support the government's contentions. In *OFCCP v. University of California at Berkeley*, the administrative law judge held that the defendant was in technical violation of the Secretary's regulations granting OFCCP access to contractors' records but declined to grant the government's request for unimpeded access to allegedly confidential personnel records. The government has filed exceptions in all four of these cases. In *OFCCP v. Coldwell Banker*, the administrative Law Judge found that by virtue of its property management agreements for buildings in which there were federal tenants the defendant was a covered subcontractor subject to the provisions of the Order and the regulations, that the defendant violated its affirmative action obligations under the Order and the regulations, and that the defendant should be debarred. The defendant has filed exceptions. Thus all five of the recommended decisions rendered by administrative law judges during the past fiscal year are pending before the Secretary on exceptions.

The Division also obtained two final administrative determinations. In *Department of the Interior v. Loffland Brothers*, the Director of OFCCP issued a decision finding that the defendant drilling company was covered under the Order as both a prime and subcontractor. The Director went on to find that the defendant had not complied with its affirm-

ative action obligations under the Executive Order and ordered the defendant debarred. In *OFCCP v. Uniroyal, Inc.*, the Secretary affirmed the recommended decision of the administrative law judge, finding that the defendant had violated the discovery provisions of the Department's regulations, and ordered the defendant debarred from further government contracts.

The Division also obtained some important federal court decisions. As could be expected, federal court litigation resulted from final administrative determinations under the Executive Order. For example, Uniroyal Inc., upon receiving the Secretary's debarment order of June 28, 1979, sued in the U.S. District Court for the District of Columbia to enjoin the Department from carrying out the Secretary's debarment order. On July 20, 1979, Judge Harold Greene issued an opinion holding that the Secretary's debarment order was valid and denied Uniroyal's injunction. See 20 FEP Cases 437 (D.D.C., 1979). The district court also upheld the validity of the Department's discovery regulations, and held that Uniroyal could win reinstatement as a government contractor by complying with the discovery orders. Both sides filed cross appeals in the U.S. Court of Appeals for the District of Columbia Circuit, where at the end of the fiscal year the case was pending with oral argument having been set for early in October 1979. Loffland Brothers likewise sued the Department to overturn the debarment order issued by the Director of OFCCP. On April 17, 1979, in *Loffland Brothers v. Marshall, et al.*, Judge Cooke of the United States District Court for the Northern District of Oklahoma entered an order staying implementation of the director's debarment order.

The Division participated with the Department of Justice in writing the appellate brief in *U.S. v. Leeway Motor Freight*, and in Sept. 1979, the U.S. Court of Appeals for the Tenth Circuit, 20 FEP Cases 1345, ruled that the defendant trucking company had discriminated against its minority workers in a number of its employment practices. The Court of Appeals also strongly indicated in dicta that the District Court should award backpay to the affected class of discriminatees both under Title VII of the Civil Rights Act of 1964 and under the Executive Order. This dicta constitutes the first federal appellate court endorsement of the Depart-

ment's long held view that backpay is an authorized and appropriate remedy under Executive Order 11246. In May 1979, in *U.S. v. Mississippi Power and Light Company*, 20 FEP Cases 47, the U.S. District Court for the Southern District of Mississippi, on remand from the Supreme Court, held that OFCCP's demands for access to documents during compliance reviews did not violate the dictates of the Fourth Amendment of the U.S. Constitution and did not constitute an unwarranted search and seizure. In *U.S. v. Kentucky Utilities Inc.*, Docket Number 76-189, a partial consent decree was entered by the U.S. District Court for the Eastern District of Kentucky. In the decree the defendant acknowledged coverage under the Executive Order and violation of affirmative action commitments. This partial consent decree represents a significant breakthrough for the Executive Order enforcement program in the utility industry, especially since companies such as Mississippi Power and Light and New Orleans Public Service Inc. had previously contested coverage under the Executive Order of utility companies.

The Division also spent considerable time and effort in working with attorneys from the Department of Justice in preparing the government's brief to be submitted in *United Steelworkers of America v. Weber*, which the Supreme Court decided on June 27, 1979, ruling that voluntary affirmative action programs containing minority utilization goals were valid.

The Division assisted OFCCP in preparing proposed amendments to 41 CFR Parts 60-1, 60-2, and 60-30, dealing with conciliation agreements, letters of commitment, affirmative action program summaries, and expedited hearing procedures (44 FR 17136, March 20, 1979, 44 FR 22761, Apr. 17, 1979), and proposed nationwide goals and related requirements for minority participation in the construction industry under 41 CFR Part 60-4 (44 FR 52283, Sept. 7, 1979). It also assisted in the development and preparation of the OFCCP Compliance Manual for OFCCP field staff. The Manual, published in September, 1979, represents the first comprehensive compilation of OFCCP policies and procedures under E.O. 11246, §503 of the Rehabilitation Act, and §402 of the Vietnam Era Veterans Readjustment Assistance Act.

A government contractor has sought the first judicial re-

view of an Assistant Secretary's decision under Section 503 of the Rehabilitation Act, *E.E. Black, et al. v. Marshall* (D. Hawaii). The contractor has challenged the constitutionality of the statute and the Assistant Secretary's interpretation of the scope of the definition of handicapped individual. Cross motions for summary judgment are pending. In addition, during the year, the Solicitor's Office filed 24 administrative complaints on behalf of OFCCP under Section 503. These cases involve such diverse issues as a pattern and practice of excluding applicants for truck driver positions with any back abnormality of history of back trouble, accommodations for an epileptic, and refusal to hire because of diabetes, mental illness, heart disease, vision problems, alcoholism and various orthopedic problems.

The Supreme Court issued a decision in the landmark reverse Freedom of Information Act case *Chrysler Corp v. Brown*, 441 U.S. 281, involving OFCCP's disclosure regulations. The Court held that the FOIA is a disclosure statute and not a withholding statute, so that the exemptions in the FOIA do not prohibit disclosure. A party which submits information to the government must seek judicial review of threatened disclosure under the Administrative Procedure Act, not under the FOIA or the Trade Secrets Act (18 U.S.C. 1905). However, the Court struck down OFCCP's disclosure regulations (41 CFR Part 60-40) for having been improperly promulgated and said that OFCCP did not have the authority to promulgate regulations authorizing disclosure of information covered by 18 U.S.C. 1905. The case was remanded to the Third Circuit to consider the scope of 18 U.S.C. 1905.

In the labor relations area, the District Court approved the settlement agreement in *Black Employees Defense Fund v. Usery* (N.D. Ga.), which involved a special affirmative action plan and other types of individual relief. This lawsuit involved allegations of race discrimination by the Department in its Atlanta region.

Mine Safety and Health

The first full year for the division of Mine Safety and Health as a member of the Solicitor's Office produced many developments.

As legal advisor to the Mine Safety and Health Adminis-

tration, the Division devoted a great deal of time to litigating several precedentially important Federal court cases brought under the Federal Mine Safety and Health Act of 1977. In *National Industrial Sand Association, et al v. Marshall, et al*, 601 F. 2d 689 (3rd Cir. 1979), the Third Circuit delineated the pre-enforcement judicial review authority of regulations under the Mine Act and in doing so upheld MSHA's first important set of regulations covering miner training. In *Marshall v. Stoudt's Ferry Preparation Company*, 602 F. 2d 589 (3d Cir. 1979), the Third Circuit endorsed the department's position that free-standing mills can be mines for purposes of the Mine Act. Then, in *Marshall v. Kraynak*, 604 F. 2d 231 (3d Cir. 1979), the Third Circuit held that the Mine Act covers owner-operated mines with no employees. The mine operator subsequently filed a petition for writ of certiorari requesting Supreme Court review.

In the wake of *Marshall v. Barlow's, Inc.*, 436 U.S. 307 (1978), the constitutionality of the warrantless mine inspections sanctioned by the Mine Act was unsuccessfully challenged in *Marshall v. Donofrio*, C. A. No. 78-2667 (E.D. Pa., Nov. 16, 1978), and in *Marshall v. Nolichuckey*, C. A. No. 2-78-108 (E.D. Tenn. Dec. 11, 1978). *Donofrio* upheld the warrantless inspection provision for coal mines on the grounds that the provision is very specific, occurs in the context of a "pervasively regulated industry" and addresses "urgent Federal interests." In *Nolichuckey*, the court held that a sand and gravel pit is part of a "closely regulated industry" and, as such, MSHA inspectors have a right of entry without a search warrant. Later, in *Stoudt's Ferry*, the Third Circuit upheld the constitutionality of a warrantless inspection of a coal and mineral preparation plant. The court rested its decision on the grounds that the Mine Act contains narrowly drawn warrantless inspection provisions, provides immediate judicial review and applies to an industry with a history of serious accidents. The court therefore found that the inspection provisions passed Constitutional muster following *Barlow's*. The opinion in *Stoudt's Ferry* was then cited by the Third Circuit in its memorandum opinion (Sept. 6, 1979) affirming the *Donofrio* decision. In the meantime, the operator in *Stoudt's Ferry* petitioned for writ of certiorari to bring the warrantless inspection issue before the Supreme Court.

The Division continued to carry a heavy administrative litigation load through the year. Final penalty assessments collected totaled more than \$364,000. Significant progress was made toward moving responsibility for administrative and Federal trial litigation to the regional solicitors. At the same time, the Division coordinated the litigation in the regions and provided litigation support services to the regional offices.

The administrative litigation, under the jurisdiction of the Federal Mine Safety and Health Review Commission, involved major issues. MSHA's interim policy of citing mine operators for the violations of their independent contractors was at issue in many actions and by close of the year was before the full Commission on appeal from a decision of its Chief Administrative Law Judge upholding the policy (*Secretary of Labor, etc. v. Old Ben Coal Company*, Docket No. VINC 79-119). In another noteworthy action, *Energy Fuels Corporation v. Secretary of Labor, et al, etc.*, Docket No. DENV 78-410 (May 1, 1979), the Commission held that a mine operator may, under some circumstances, immediately contest the issuance of a citation prior to the proposed assessment of a penalty.

Together with its civil and administrative litigation functions, the Division of Mine Safety and Health also assisted the Department of Justice in preparing criminal litigation against several companies and individuals alleged to have "willfully" violated the Mine Act. During the year, these efforts came to fruition as a grand jury returned indictments against Scotia Coal Company and Blue Diamond Coal Company. The indictments grew out of the investigation of the first of two Scotia Mine explosion disasters which occurred in March 1976. In other cases, six convictions were obtained.

The Division has traditionally provided special counsel when necessary in event of serious mine accidents. In response to an explosion and related problems in a salt dome mine operation, the Division assisted MSHA personnel both in the national office and at the disaster site in the investigations, and in the joint effort with mine personnel to ameliorate health and safety hazards.

The year also marked extensive regulatory activity in which the Division not only provided counsel during the many stages of rulemaking but was instrumental in rewriting and

revising proposed or existing standards on behalf of MSHA. The miner training regulatory package for MSHA was promulgated on Oct. 13, 1978, and attracted unprecedented input from affected sectors of the public. These regulations were followed by the promulgation of rules for self-rescuers in underground coal mines (Nov. 21, 1978) and for State grants (May 5, 1979). On Aug. 17, 1979, 140 mandatory metal-nonmetal mine health and safety standards were promulgated culminating an intensive review and revision of what had been 229 advisory standards. Other metal and nonmetal mine regulations promulgated during the year include rules on silica and asbestos dust exposure and chemical storage (Nov. 17, 1978), radiation contaminant exposure (June 1, 1979), explosive materials (August 17, 1979), and explosives loading (Sept. 14, 1979). Additional important rulemaking activity included the publication of proposed rules for mine rescue teams (Jan. 5, 1979) and for the identification of independent contractors as mine operators (Aug. 14, 1979).

In addition to the litigation and regulatory activities, the Division assisted MSHA in the capacity of general legal advisor. The division was particularly active in interpreting the Mine Act to determine the applicability of the Mine Act to various types of operations including dredges, salt mills, refractory plants, alumina plants and States and local governments. In preparation for oversight hearings on the Mine Act, the division gathered, drafted and edited voluminous testimony and background material for use by the Assistant Secretary for Mine Safety and Health and the pertinent Congressional committees. The Division also assisted in negotiating and drafting Memoranda of Understanding with other agencies, notably, for example, with OSHA to establish jurisdictional parameters, and with the Department of Energy over the use of salt mines as strategic petroleum reserve storage facilities.

Throughout the year, the division expanded and reorganized to meet the workload demands. A separate Appellate Litigation Branch was established to handle and coordinate appeals before the courts and the Federal Mine Safety and Health Review Commission. Also, Branches for Metal-Nonmetallic Standards and Regulations and General Legal Advice were formally established.

Labor-Management Laws

In *National Education Association v. Marshall*, the District Court for the District of Columbia granted the Secretary's motion for summary judgment. This case was extremely significant in that for the first time the National Education Association was held to be a labor organization and was therefore required to file annual financial reports and to hold elections conforming to Title IV of the Act. The Association had contended that its dealings with private sector employees comprised so small a fraction of their activities, less than one per cent, that it was not a labor organization within the meaning of the Act. The Court held that it was not material that the Association's private sector activities were limited for the purpose of the LMRDA is to protect the public interests and the interests of all private sector union members in relations with their unions. The Court therefore upheld the Secretary's contention that the NEA is a labor organization within the meaning of the Act.

In another significant reporting case the Secretary obtained a summary judgment against *Master Printers of America*, a trade association, requiring it to file labor relations consultant reports. This is the first time that a trade association was held to be covered by the labor consultant requirements of the Act. The Secretary's main contention was that the distribution of a magazine called *Insight* constituted reportable activity. The magazine, which was prepared by Master Printers of America and mailed directly to certified craftsman employees of all employer members of the Association, contained a number of anti-union articles intended to persuade readers that unions were not economically useful. Master Printers is appealing from this decision and therefore no attempt has yet been made to obtain reports from the many employers who would also be required to report under Title II.

The Secretary brought suit on June 1, 1979 seeking to set aside the election for 14 International officers of the *American Postal Workers Union*. The suit alleged that a large number of eligible voters did not receive ballots and a large number of ineligible members did in fact vote. The union's use of a membership list which was several months old accounted for the discrepancies. Although the Secretary did not

sue concerning another group of International officers where the victory margins were larger, the Secretary was in turn sued by defeated candidates for these offices seeking to enlarge the scope of his complaint. No decision has yet been reached in these cases.

The Secretary was also sued by the defeated candidate in the 1977 election of International officers of the United Steelworkers of America (*Sadlowski v. Marshall*), alleging that the Secretary was arbitrary and capricious in failing and refusing to bring suit to set aside that election. The plaintiff alleged that the Secretary failed to conduct an adequate investigation, did not act as the plaintiff's attorney, and furnished a statement of reasons why he did not file suit that on its face showed the decision was arbitrary and capricious. The court held that the plaintiff's allegation that the Secretary had not made a proper investigation should not be reviewed under the standards set forth by the Supreme Court in the *Bachowski* decision. The court also rejected the plaintiff's argument that the Secretary had failed to act as their attorney and held that this obligation arose only after the Secretary had instituted suit. Finally, the court was satisfied by a review of the Secretary's statement of reasons that the Secretary was not arbitrary and capricious but had acted within the bounds of his statutory discretion. This case is currently being appealed. In a group of three related cases the Secretary filed suit against *Local 20, Local 70, and Local 299 of the Teamsters*. The allegations in all three cases were basically the same, that the union elections were affected by contributions of employers. The Secretary has now been successful in two of these cases, *Local 20* and *Local 70*, in obtaining new elections based on the employer contributions. Both cases have been noted for appeal and *Local 20* has been argued before the Sixth Circuit. The cases are significant in that they support the extremely broad view of "employer" which the Secretary has taken, including persons who do not employ union members and who do not have any contract or business dealings with the union.

In another significant Court of Appeals decision, the Third Circuit held that *Local 12447, United Steelworkers of America* was required not only to provide facilities for voting by secret ballot but to make it mandatory for its members to

so vote. This reversed the District Court's conclusion that only the opportunity for secret ballot voting was necessary.

The Division worked with the staff of the Division of Employee Protections, Labor-Management Services Administration in the development of guidelines and the promulgation of regulations governing employee protections in two recently enacted bills: The Division assisted in the development of the Redwood National Park Expansion Act Employee Protection Program. Proposed regulations were published on June 12, 1979 and final regulations implementing the Redwood Employee Protection Program will be issued in the near future. In addition, the employees who are denied benefits under the Program may file an appeal with the Assistant Secretary for Labor-Management Relations. The Division helped develop a procedure to assure that their decisions conformed with the Act's requirements. The Division has also worked with members of the staff of the Division of Employee Protections in the development of the Airline Deregulation Act Employee Protection Program. Regulations implementing the Secretary's responsibility for carrying out the first right of hire provision in the Airline Deregulation Act were developed.

In accordance with the legislation, the regulations were transmitted to the designated Committees of the Senate and House on August 13, 1979. Final regulations will be submitted to Congress in the near future.

The Division also worked with the staff of the Labor-Management Services Administration and the newly created Federal Labor Relations Authority in developing regulations implementing the changes required by the Civil Service Reform Act. The Department's proposed regulations on the Secretary's responsibilities under the Standards of Conduct provisions were published in the *Federal Register* on Aug. 28, 1979.

Employment and Training Legal Services

The Employment and Training Legal Services Division has assisted the Employment and Training Administration in the implementation of employment and training grant programs under the reauthorized Comprehensive Employment and Training Act. This assistance included coordination in the development and preparation of transitional regulations and

the total revision of the CETA regulations. The 1978 amendments to the Act have added new administrative sanctions to be administered by the Secretary which required the design and implementation of new procedures governing administrative audits, investigations and hearings. These procedures are designed to improve the fiscal and program integrity of CETA consistent with the new powers given the Secretary by the 1978 amendments.

Regulations providing the framework for establishing a program of worker benefits and protections mandated by the Airline Deregulation Act were prepared by ETA with ETLs assistance and submitted to the Congress.

Major First Amendment court challenges to unemployment compensation coverage of former school employees were commenced by a number of churches operating church-related elementary and secondary schools. The church related schools contend that the 1976 amendments to the basic unemployment insurance program cannot be constitutionally applied to cover the employment of teachers and others in their schools without violating the "free exercise" clause and impermissibly entangling the government in the religious affairs of the schools. We disagree, contending that the former employees of church-related elementary and secondary schools are part of the class Congress intended to protect and are entitled to the same benefits as those employed by other private and public nonprofit elementary and secondary schools. We assert that the program can be fairly administered without "excessive entanglement" by the government. These cases have culminated in statutory conformity proceedings by the Secretary decertifying the states of Alabama and Nevada for failure to enact legislation providing for the coverage of employees of all elementary and secondary schools. The states are seeking court reversal of the Secretary's action.

During the same period the Division has assisted the Justice Department in defending CETA employment and training programs from First Amendment challenges where the programs have been conducted at parochial school sites.

Legislation and Legal Counsel

The Division of Legislation and Legal Counsel performed a wide range of legal services including house counsel func-

tions for Department officials.

In close cooperation with other agencies within the Department, the Division of Legislation and Legal Counsel was responsible for drafting the Department of Labor's Legislative Program for fiscal year 1980 for submission to the Office of Management and Budget (OMB).

Numerous reports on proposed legislation of interest to the Labor Department were prepared by this Division, in consultation with appropriate Labor Department agencies, and transmitted to the Congress and to OMB.

In addition, this Division performed a wide range of tasks in connection with important Department of Labor legislative proposals. Such legislation included the Comprehensive Employment and Training Act Amendments of 1978 which were enacted into law during fiscal year 1979.

Extensive assistance was provided to Labor Department officials regarding appearances before congressional committees in connection with proposed legislation and oversight activities. This Division was involved in the preparation and clearance of 55 prepared statements delivered by Department of Labor officials during fiscal year 1979.

The Division of Legislation and Legal Counsel provided assistance to the Secretary and other Labor Department officials in connection with the review of decisions issued by Department of Labor Administrative Law Judges.

This Division also performed a number of legal counsel functions in connection with the Freedom of Information Act, the Privacy Act, the Federal Advisory Committee Act, Executive order 12044 relating to improving regulatory procedures, the recently enacted Ethics in Government Act and the Department of Labor Ethics and Conduct Regulations, and reviewed a wide variety of Departmental regulations and issuances covering the conduct of Department of Labor business.

Policy, Evaluation and Research

The Office of the Assistant Secretary for Policy, Evaluation and research (ASPER), in cooperation with the Employment and Training Administration (ETA), took the lead in developing the Department's proposals for future youth employment policy. The proposals were submitted to the White House in anticipation of the expiration of the Youth Employment and Demonstration Projects Act (YEDPA) in September 1980 and the need for the Administration to present to the Congress recommendations for new legislation in the youth employment and education policy areas. The work was part of an 18 month inter-departmental effort coordinated by the Vice President's Task Force on Youth and co-chaired by the Assistant to the President for Domestic Affairs and Policy and the Secretary of Labor.

A special one year ASPER working group, in cooperation with ETA, spearheaded the Department's efforts to meet requirements under the new CETA legislation for expanded recordkeeping and reporting as well as improved management systems. For the short-term, the group developed a special sample survey to pick up information required, but not automatically available under the current reporting system. For the longer term, a redesigned system will be installed that aims to improve the system as a whole, with particular emphasis on insuring the setting up of a mechanism to provide reliable data and measure outcomes.

During FY 1979 ASPER and ETA participated actively in developing the Administration's Work and Training Opportunities Program for Welfare Reform. Department officials testified before the Senate Finance Subcommittee on Public Assistance on employment and welfare issues. Officials also met with numerous public and private organizations to improve understanding of the proposal.

The Department completed planning for the Employment Opportunities Pilot program, a project to test various features of the proposed Work and Training Opportunities Program. The project will also develop models for implementing the

national program. Designs were completed and operations began in most of the sixteen sites. The remaining sites are scheduled to begin early in FY 1980. The basic research design was completed and data collection efforts began.

ASPER played a substantial role in implementing the Administration's Wage and Price Guidelines program by giving budget, staffing, and analytical support.

ASPER had a major role in preparing the Congressionally mandated report on reviewing alternative approaches to the OSHA cotton dust standard. This report helped assure the necessary Congressional support for this standard.

ASPER helped the Department implement Executive Order 12044, Improving Government Regulations. Included were the development of improved agency analytic capabilities, the development of standards management processes within the major regulatory agencies of the Department and the implementation of a Secretarial tracking and review system.

ASPER studied the problems associated with long-latency occupational diseases, especially lung diseases, in response to Congressional requirements under the Black Lung Act amendments. The focus of the work so far has been on determining the magnitude and severity of the problem, the extent to which various programs compensate those workers with occupational diseases (if at all), and the status of various preventive programs.

Substantial research work on occupational diseases was virtually completed and a first draft of a report was prepared for the Congress. The work provides new information on the amount of such disease existing and likely to exist, on the sources and amounts of compensation received by workers and their families, and on the availability and uses of medical monitoring data. It clearly showed how poorly existing systems are working and the need for alternatives to improve the situation. The result was similar in the final report on ionizing radiation issued last summer. The report also highlighted the need to better develop means for integrating various income maintenance programs, including the possible use of taxation of benefits.

While new data sources were developed and utilized, data problems remain one of the major stumbling blocks to prog-

ress in dealing with work related health and disability problems. The Social Security Administration surveys of the disabled and other data tapes are proving very useful. However, there still are no really good sources of information on long-latency occupational health problems. Matches of workers' compensation and unemployment data may prove useful in OSHA targetting in some states, but not in many.

During FY 1979, ASPER had \$1.9 million for research activities. Most of it was used for research on and evaluation of employment and training programs. Youth and welfare reform projects accounted for the largest portion of the FY 1979 obligation. Together, these projects amounted to over \$367,000. The major projects funded in this area were a study of the economic and social significance of youth unemployment, an economic analysis of patterns and trends in youth unemployment, and a study on the dynamics of unemployment using available data on labor market dynamics.

Office of the Assistant Secretary for Administration and Management

Foremost among the accomplishments of the Department's Office of the Assistant Secretary for Administration and Management (OASAM) was the successful implementation of the Civil Service Reform Act of 1978 (CSRA), one of the most significant pieces of legislation to affect Federal employees in many years. New personnel systems were developed and revised regulations were issued. Particularly significant was the Senior Executive Service established within the Department. This new personnel system will manage the senior executive level personnel requirements of the Department, including the development of performance standards and the establishment of systems for performance appraisal, compensation and executive development.

Other major CSRA initiatives started but not yet completed include the development of a system of Merit Pay for supervisors and managers in grades GS-13 through 15 which will link performance appraisal with compensation. Also a major review of supervisory training was undertaken. The purpose of this review is to improve the quality of supervisory training and to develop a structure for implementing the CSRA mandated management development program.

Under OASAM leadership, the Department successfully automated major portions of its zero-based budgeting process. Both OMB's Budget Preparation System and its Budget Status System were adapted and converted to the Department's computer operations two years ahead of the OMB schedule. The automated processes improve accuracy and timeliness while decreasing the volume of paperwork required in budget formulation. Progress was also made in improving financial management with the decentralization of payroll responsibilities to OASAM regional offices. The decentralization of accounting input and voucher audit to a major component of the Department was completed, another step toward complete

decentralization of accounting to Department agencies by the end of fiscal year 1980.

The Department's Equal Employment Opportunity (EEO) program again placed special emphasis on increasing black, Hispanic and female professional representation in the DOL workforce, and on increasing the number of employees participating in the Upward Mobility Program. A representation goal of 12 percent for black professionals was established by the Secretary, and this was exceeded by two percent. The most significant increases in black representation were at the GS-9, GS-13 and GS-14 levels.

Hispanic professionals also made significant gains in representation at all grade levels, GS-7 through GS-14. A total of 183 Hispanic professionals were added to the Department's workforce, bringing the total to 571 or 3.8 percent of the professional workforce. The number of women professionals also increased by approximately 17 percent, from 2,934 to 3,428, for a representational rate of 23 percent. Agencies continued to progress in meeting Upward Mobility goals by filling 99 positions, while another 45 positions were in the process of being filled at the end of the fiscal year.

The internal Occupational Safety and Health Program continued to expand. The concept of a new computerized Accident Reporting System was introduced and it is now in the late stages of development. New Job Corps Centers are opening at a rate of approximately two per month, requiring program expansion to insure safe and healthful working and living environments for Corpsmembers.

Health service activities and programs continued to increase with the addition of new programs and growth of ongoing programs such as diabetes, cancer, drug and alcohol abuse, smoking and heart disease. Coverage was extended to include 9 additional work locations and 369 employees.

An active program of safety and health inspections and evaluations was pursued during FY 1979. Twenty-four Job Corps Center pre-activation reviews and eight Job Corps follow-up inspections were conducted. Additionally, safety and health evaluations were made in ten regions and nine Agencies. Fourteen staff assistance visits were also made.

What previously had been fragmented internal labor-management relations activities were consolidated. This was

especially true with respect to the strong contract administration efforts of the Department to live to the terms of the collective bargaining Agreement with the NCFLL. At the National Office level an intensive effort was made toward reaching agreement with Local 12, AFGE, on the ground rules for negotiations of a new collective bargaining agreement, and the research, examination and preparation of proposals for those negotiations.

Other significant accomplishments include defining the bargaining units, establishing a comprehensive organization to deal with grievances and Third Party actions in a timely and efficient manner, and making a complete inventory of the back-log. A vigorous policy was instituted to bring all matters current. Approximately 1,000 supervisors and managers were trained in a basic labor-management relations course and six hour briefings for executives were presented in each of the 10 regions, and monthly in the National Office. To further assist managers and supervisors as well as labor relations and personnel officers, a Contract Administration Handbook was prepared and issued, and instructions were given in new case law and significant decisions as well as the requirements and procedures of the CSRA.

As a means of determining how well regional OASAM offices support the Department Agency filed components, and to initiate any needed improvements, a new cycle of Operational Effectiveness Reviews (OERs) was initiated. OERs were conducted in the Atlanta, Dallas and Philadelphia regions. Similar reviews were made within the various Agencies of the Department.

The Department's organizational structures and staffing patterns changed significantly. In compliance with the Inspector General Act of 1978, the Department reorganized its audit and investigations activities and established an Office of the Inspector General (OIG). Audit and investigation components previously located throughout the Department are now centralized in the OIG under an Inspector General who reports to the Secretary. The Inspector General is responsible for ensuring that DOL programs are free of corruption, mismanagement, and financial abuse.

The Employment and Training Administration (ETA) was reorganized both in the National Office and in the field, to

provide better service to client groups, State and local governments, and other interest groups. Within ETA an Office of Management Assistance was established to provide technical assistance and training in the broad areas of budget, accounting, and general management operations to prime sponsors. Other ETA organizational changes included the realignment of the Job Corps and CETA programs.

Early in the fiscal year the compliance activities of the eleven contracting Agencies were successfully consolidated in the Department of labor in a greatly expanded Office of Federal Contract Compliance Programs. That action culminated efforts begun under the President's Reorganization Plan #1 of 1978.

OASAM continued to play a lead role in response to the President's Reporting Burden Reduction Program. Repetitive public use reports were reduced by 37 from 232 to 195. The associated burden hours were decreased by two million hours, but due to the passage of new legislation in the CETA program area, those savings were wiped out because the new legislation accounted for over three million hours of reporting burden to the public.

A Committee on Internal Productivity and Quality of Working Life, with policy level representation from all components of the Department was established to advise the Secretary and coordinate efforts to improve internal productivity and Quality of Workinglife. Consistent with the effort to increase productivity, efficiency and cost effectiveness, a DOL Office Automation Forum was established to assure the integration of automated work processes.

The Departmental Mail Management Program continued its emphasis on the further reduction of mail costs. Mail management information presentations to national and regional office administrative staff, including supervisory personnel, emphasis on the use of the most economical mail services, and improvements in costs and mail volume data reporting all contributed to savings in mail costs for FY 79.

Several initiatives were undertaken to improve the Department's procurement operations. The small purchase activity was automated to allow for the direct entry of procurement actions into the financial control system. Also, procurement authority for small purchases was decentralized to

the major agencies. A multi-year effort to update and consolidate Grant Regulations was brought to a successful completion with publication of the regulations in the "Federal Register." OASAM procurement staff also participated in a related OMB sponsored comprehensive analysis of Federal financial assistance matters.

Office space, which is extremely scarce, particularly in the Washington area, continued to be a critical concern requiring intensive efforts to improve utilization. The Law and Main Libraries were consolidated to increase space and improve services. An additional 170 people were assigned space in the New DOL Building. Outside Washington office space was located for 80 field offices for the Black Lung Benefits Review and the contract Compliance programs.

Earlier in the year the Department reached a major policy decision to shift its automatic data processing (ADP) services from a centralized in-house capability to one of using the most cost-efficient means of processing. ADP procedures in the Department changed considerably. Agencies were afforded wider latitude to obtain their ADP services in the private sector in the interest of economy and in order to fully support their needs.

Decentralized decision-making, subject to policy review at the departmental level, is expected to result in more timely and less costly ADP operations. To provide the appropriate leadership, direction and technical assistance, the Department is making plans to establish a Directorate of Information Technology with responsibility for ADP, data telecommunications, and word processing technology.

In order to provide guidance and direction to the Department's management improvement efforts, a top-level inter-agency committee was established. Chaired by the Assistant Secretary for Administration and Management, and with membership from the policy levels of the Department, OMB, and OPM, it will promote the Department's management improvement efforts in selected critical program areas. It was felt that an in-house effort, under the aegis of managers with demonstrated ability, would be more effective than the use of outside contractors.

Note: This portion is a summary of our most significant accomplishments for possible incorporation into the Secretary's personal section of the report and is not part of the OASAM portion of the report.

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Women's Bureau

Activities of the Women's Bureau (WB) during the 1979 fiscal year were influenced to a large extent by the need to expand training and employment opportunities for the rapidly growing number of women workers, many of whom have economic responsibilities as heads of families.

The activities centered around four major program areas: (1) departmental policymaking where women are affected, (2) special projects to targeted groups that have particular employment related needs, (3) interagency linkages to coordinate and strengthen mutual efforts, and (4) technical assistance and information to support program efforts of Federal and private agencies and international organizations.

Implementing CETA was a priority in the policymaking area. WB participated in writing the CETA regulations to ensure that they adequately address the provisions affecting women particularly, such as development of new careers, overcoming sex stereotyping, training in nontraditional jobs, and alternative work schedules for parents of young children and for older persons.

Research agenda were developed to aid in carrying out the requirement for research on the applicability of job sharing and flexible hours, and on the issue of equal pay for work of comparable value.

WB chaired the WB/ETA Task Force which devised strategy for displaced homemaker programs. In addition, WB prepared tables identifying numbers of CETA-eligible women and displaced homemakers by age, race, and geographic area to aid prime sponsors and others in planning programs.

The Outreach Subcommittee of the Interagency Committee on Women's Business Enterprise collected lists of women business owners and women interested in business, disseminated information and brochures, and began development of a media strategy for implementation of the Women's Business Enterprise Business Development Plan.

Outreach programs centered on special projects to serve

the needs of low-income, rural, minority, mature, and young women, including recruitment, skills training, job development, placement, and supportive services such as counseling and child care. A number of the projects concentrate on non-traditional jobs training. WB monitored 16 projects funded with ETA grants.

WB began a major thrust to establish linkages with other agencies to combine resources. One example is the joint effort with the Bureau of Apprenticeship and Training and the Bureau of Prisons which resulted in apprenticeship programs for women in the four Federal prisons that house women.

International activities included WB's leadership in organizing an OECD (Organization for Economic Cooperation and Development) conference on women's employment issues to be held in fiscal 1980.

Involvement in Policymaking

The CETA Amendments of 1978, which include a number of provisions that affect women particularly, provided the basis for WB's involvement in this policy area during fiscal 1979. WB participated in the Departmental Review Committee to ensure that the issues concerning women were addressed adequately in the CETA regulations, and had major input on such subjects as overcoming sex stereotyping of jobs, training in nontraditional work, and alternative work schedules for persons with household responsibilities.

To begin implementation of the CETA provisions for displaced homemaker programs, WB chaired the WB/ETA Task Force which developed strategy for demonstration programs. WB also produced comprehensive data on the number of CETA-eligible women and displaced homemakers for use by prime sponsors, community-based organizations, women's groups, and others in planning programs not only for displaced homemakers but also for other women who are unemployed and economically disadvantaged.

WB developed agenda suggested for funding under ETA's research and development grants. One area of research concerns the applicability of job sharing, work sharing, and other flexible work hours arrangements. The other is on the extent to which job and wage classification systems undervalue certain skills and responsibilities on the basis of the sex of per-

sons who usually hold the position. Plans were developed to cosponsor a pay equity conference in fiscal year 1980 to further explore the comparable worth issue.

Another area where WB participated in policymaking was the Women's Business Enterprise policy, which became effective by an Executive order issued in May 1979. This national policy, which directs each department and agency of the Executive Branch to take appropriate affirmative action to facilitate, preserve, and strengthen women's business enterprise, also established a permanent Interagency Committee on Women's Business Enterprise.

Continuing its work with the Bureau of Apprenticeship and Training to expand opportunities for women in apprenticeship, WB developed a training module to be used in training sessions with State apprenticeship committees, unions, employers, and others involved in apprenticeship outreach and training of women. This is to achieve goals for women in apprenticeship and construction work, established in regulations published in 1978.

WB assisted OFCCP in developing a compliance manual, outreach and training requirements, a compliance plan for the Department, and an approach to evaluate and establish future goals for women in construction. To provide OFCCP with targets for compliance reviews, the Bureau analyzed labor demand in construction trades and availability of women for such jobs.

Policy on youth programs was another area of interest. WB held four consultations with minority female youth; findings of the consultations and the conference will be consolidated in a summary on policy implications.

Through its director, WB presented testimony on major issues affecting women. They included legislative issues to meet the needs of women in the 1980's, before the Senate Human Resources Committee; problems of mid-life women, before the Subcommittee on Retirement Income and Employment of the House Select Committee on Aging; and on unemployment compensation issues affecting women, before the National Commission on Unemployment Compensation.

Special Projects

Programs to assist women with special needs continued to

be a major priority during fiscal 1979. Planning for several programs, including projects to expand opportunities for women in management, to provide training for unemployed retail clerks, and to identify the needs of Asian American women, was completed. Some 16 model projects, funded in fiscal 1978 with grants from ETA, were monitored. Brief descriptions of several projects follow:

- The *Low-Income Women's Employment Model Project* in San Antonio, Tex., seeks to develop and demonstrate successful techniques for improving training and placement of women in jobs that offer potential for advancement. Preemployment counseling and followup attempt to ensure successful placement. Many of the women who have received skills training were former AFDC recipients.

- The *Coal Employment Project* recruits, selects, trains, and secures employment for women who want coal mining jobs in five Appalachian counties in Tennessee. It has developed a special training program consisting of orientation to tools and terminology, safety, and employment rights, and has done an effective job of advocacy for women miners industrywide in Tennessee. The first group of 19 women completed training near the fiscal year end, and are expected to be placed in jobs in the Oakridge, Tenn., area.

- The *Appalachian Women's Employment Information Project* responds to the expressed need of low-income women for an employment information service that uses both stationary facilities and mobile units to serve women in seven counties in Virginia, West Virginia, and Kentucky. It provides information and technical assistance in training and placement of women in jobs in rural Appalachian communities.

- At the *Women's Center for Career Information* in New York City, a series of workshops prepare working women to advance to better careers by developing their job search skills in such areas as mathematics, communications, business management and crafts.

- The *Young Women's Company* of Tucson, Ariz., is an employment training and placement program for young women 14 to 21 years of age. It offers skills training in non-traditional areas such as carpentry and business accounting, training in contracting and other skills required of small busi-

nesses, support services such as group counseling, vocational counseling, and job development and placement.

- The *Women's Opportunity Program* in Mississippi trains and places rural women in both traditional and nontraditional jobs. It includes pretraining, on-the-job skills development, and placement.

WB continued its major outreach initiatives to female youth through the urban school-to-work transition projects. The five demonstration programs seek to ease the employment difficulties that young women often experience when they transfer from school to the workplace. Located in Atlanta, Ga.; Mason City, Iowa; Portland, Ore.; Philadelphia, Pa.; and Dallas, Tex., the programs concentrate on nontraditional jobs and involve teenage females who are juniors and seniors in high school. They include a school-based component, an advisory council, parent input, and a study control group.

WB started a program to address the consequences of early teen pregnancy, and especially to impress upon girls the negative effect that early motherhood has on their continuing education and future employment.

Interagency Linkages

To maximize the impact of government resources in addressing the needs of women, WB linked its services with other agencies. Apprenticeship programs were opened to women in the four Federal prisons that house women, the result of an interagency effort involving the Women's Bureau, Bureau of Apprenticeship and Training, and Bureau of Prisons. New programs were established at the two all-female prisons at Alderson, W.Va., and Pleasanton, Calif., and women began entering the former all-male programs at Fort Worth, Tex., and Lexington, Ky. Plans are underway to encourage the establishment of similar programs at State prisons.

WB initiated a project with the Bureau of Occupational and Adult Education of the Department of Health, Education and Welfare to develop a guide for identifying displaced homemaker services funded by two or more sources. The booklet, "A Guide to Coordinating CETA and Vocational Education Legislation Affecting Displaced Homemaker Programs," indicates possibilities for coordinating education,

training, and support services.

Another interagency effort was a national seminar focusing on equal opportunity for American Indian women in the Federal government. Coordinated by the Interagency Task Force on American Indian Women, and cosponsored by WB and the Labor Department's Office of Equal Employment Opportunity, the seminar provided information about Indian preference policy, the complaint process, recruitment and job information, and the Federal Women's Program. WB prepared a report of that seminar which serves as a guide for holding similar meetings. A regional meeting was held in Portland, Ore., based on the national seminar.

Plans were made for a project to establish a clearinghouse and resource center and to provide support for local and national networks of low-income women—a joint venture of the Community Services Administration, ACTION, the Work Incentive program, and WB.

WB cosponsored with the National Manpower Institute a conference on "Community Solutions for Child Care." A report of that conference presents a variety of programs and sources of funding, and will be useful to community groups across the nation who are seeking solutions to the need for such services.

Technical Assistance and Information

WB responded to thousands of requests for technical assistance on establishing programs and planning conferences, and for information on employment issues affecting women. To support its program initiatives as well as those of other government agencies, private sector groups, community-based organizations, and women's organizations, WB disseminated a variety of publications on the economic status and legal rights of women, on model programs for replication, and on its programs and services.

In support of efforts to expand women's opportunities in apprenticeship and other nontraditional jobs, several publications were prepared and distributed including "New Regulations To Help Open Nontraditional Jobs to Women," informing about the regulations requiring affirmative action for women in apprenticeship and construction work, and "A

Woman's Guide to Apprenticeship." Work was completed on "Women in Nontraditional Jobs: Statistics and Trends."

Technical assistance was provided in the School/Apprenticeship Linkage program, under BAT's New Initiatives in Apprenticeship. The program gives high school youth an understanding of the apprenticeship system, facilitates the match of studies with needs of employers, and encourages the entrance of low-income, female, and minority youth into apprenticeship.

Informational materials related to CETA were sent to women's groups, agencies serving women, women business owners, and others to make them aware of the benefits for women under the new law, and to urge them to establish close contact with prime sponsors to indicate their interest in participating in all phases of CETA. The publication "A Guide to Seeking Funds from CETA" was updated to reflect the new provisions.

Two CETA-funded programs were documented and distributed to promote the establishment of similar programs by prime sponsors and others—"Displaced Homemakers: A CETA Program Model, Fitchburg, Massachusetts" and "Training for Child Care Work: Project Fresh Start." The publications give information on all program aspects including planning, intake and assessment, training, placement, and supportive services.

Publications giving a statistical overview included "The Economic Responsibilities of Working Women," "The Earnings Gap between Women and Men," and "20 Facts on Women Workers." The revised publication "A Working Woman's Guide to Her Job Rights," outlining Federal laws that apply when women are seeking a job, while they are on the job, and when they retire, drew wide interest.

Other public information activities included the preparation of articles for publication in several leading periodicals, including *Ms.* magazine and *Corrections Today*. News releases distributed to the media reported on the availability of informational materials and on program developments. Speeches were prepared for delivery to a wide range of audiences to give greater visibility to the issues affecting women workers and encourage public involvement in initiatives, particularly at the local level.

International Activities

WB continued its representation of the United States on the Organization for Economic Cooperation and Development (OECD) Working Party on Women, and worked on the organization of an OECD conference on women's employment issues to be held in fiscal 1980.

WB responded to a United Nations questionnaire on employment and related economic roles of women in the United States for the period 1975-78, as part of its ongoing activities in support of the U.S. Government's foreign policy initiatives as a Member State of the United Nations. This questionnaire represented a major effort by the UN to gather information on a global basis to implement the World Plan of Action adopted during the World Conference of the International Women's Year, and to develop a program of action for the 1980-85 portion of the United Nations Decade for Women. Technical assistance was given to U.S., regional, and international bodies related to activities for the Decade, 1976-1985.

WB participated in a seminar in Spain on the role of women in the work force, covering such issues as education and training, nontraditional jobs, occupational safety and health, and equal rights.

Among the foreign visitors briefed on the role of U.S. women in the work force was a delegation of women from the People's Republic of China, the first group of women participating in official exchanges between the two countries in the areas of civic affairs, education, culture, and sports.

To help launch the Department's observance of International Year of the Child (IYC), WB participated in a Salute to IYC which included sponsorship of the UNICEF exhibit "Sown Seeds and Sweet Sauce," presenting the art of children around the world.

Other Program Efforts

In the area of health and safety for women in the workplace, WB worked with OSHA in planning a series of conferences for fiscal 1980 dealing with health and safety issues in women-dominated industries.

Liaison activities with the President's Advisory Committee on Women and the Interdepartmental Task Force on Women included administrative support and assistance in de-

veloping briefing papers.

Cooperative efforts were continued with groups such as the Washington Union Women, an information and education program for women with staff responsibilities in unions; and the Alliance for Child Care in Federal Agencies, which provides technical assistance and advisory services to Federal agency groups interested in establishing child care centers for the children of Federal employees.

Constituency groups met quarterly during fiscal 1979, and briefings were given on legislative and program developments, including changes in CETA and on youth programs.

Approximately 100 major meetings with constituent networks, program operators, employers and union officials were held, and a number of the program models were replicated through the efforts of WB regional offices. The regional offices continued to build and maintain networks for orientation and action on a variety of issues, and for supporting institutional mechanisms to improve the status of women, particularly State and local commissions for women.

Office of The Inspector General

The Office of Inspector General (OIG), Department of Labor (DOL), was established in October 1978, by the Inspector General Act of 1978, Public Law 95-452. The purpose of OIG is to: (1) recommend policies to prevent and detect fraud, abuse and waste in DOL programs and operations, and increase their economy and efficiency; (2) conduct, supervise and coordinate audits and investigations relating to DOL programs and operations; and (3) keep the Secretary of Labor and Congress informed about problems and corrective action taken in the administration of DOL programs and operations. To accomplish this, the majority of DOL audit and investigative activities, which include fraud and employee integrity investigations, the Organized Crime Strike Force investigations and Automated Data Processing (ADP) reviews, have been consolidated within the OIG.

The 1979 fiscal year was one of building an organization and designing program strategies needed to carry out the responsibilities prescribed in the Act, as well as pursuing traditional audit and investigative activities.

Substantial effort was devoted to developing new audit and investigative concepts, both to increase the impact of the Office and to make maximum use of scarce audit and investigative resources. A fundamental underlying theme which has guided much of the OIG planning is that audit and investigative resources must be brought together to combat effectively waste, fraud and abuse in DOL programs and operations. Although the Inspector General Act requires separate audit and investigative functions, complex problems require multi-disciplinary approaches for uncovering weaknesses and finding long-term solutions. Another underlying theme is that of placing greater emphasis on the prevention of waste, fraud and abuse. Traditional audit and investigative activities have been essentially reactive, investigations to allegations of wrongdoing and audits to a cyclically-scheduled financial compliance audit program. More significant and long-term impact can be achieved by planning strategic programmatic and systemic reviews so that vulnerabilities to waste, fraud

and abuse can be overcome before problems occur.

Several of the specific initiatives undertaken during the year include:

- An organizational structure for the OIG was formally approved.

- Eleven program fraud investigations field offices and fourteen organized crime investigations field offices were established.

- An internal loss prevention and analysis capability was designed as part of the OIG organizational structure. The creation and staffing of the Office of Loss Prevention and Analysis will allow the OIG to carry out fully the duties prescribed by the Inspector General Act of 1978 and help the Department make the kind of long-term, systemic improvements in program efficiency and economy which the Act envisioned. The major focus of this new Office will be on the prevention of losses due to fraud, dishonesty and mismanagement. This Office will analyze the results of audits, investigations and other materials to identify those fundamental, generic weaknesses in program operations, policies and management which are conducive to waste, fraud and abuse, and then work with Departmental managers to overcome those weaknesses. Also, this Office will help integrate audit and investigative planning, perform selective legislative and regulations review, and undertake research on new audit and investigative methodologies.

- Major improvements and expansions have been and will continue to be made in the OIG's management information system. Such a system is critical to developing the capability to track audit and investigative accomplishments, and to monitor effectively improvements made based upon OIG recommendations.

- A DOL hot-line was established so that DOL employees can report allegations of wrong-doing directly to the OIG.

- A number of recognized problem areas have been identified for intensive review by teams of OIG auditors and investigators.

- A surveillance audit guide has been developed and is being tested. This guide will aid auditors in uncovering instances of program fraud.

- Several Fraud and Abuse Prevention Surveys have been

conducted which have included recommendations to line managers concerning program and management improvements.

- Audit residencies have been planned in seventeen of the more complex CETA prime sponsors. These residencies will provide for more timely audits of the prime sponsors, closer monitoring of subsponsor audits by the OIG and improved ability to assess the overall financial condition of the grantee.

- A DOL-wide incident reporting system was established so that allegations of waste, fraud and/or abuse can be processed expeditiously and forwarded to the OIG.

- As required by the Inspector General Act, the OIG prepared two semi-annual reports to the Congress. These reports highlighted significant accomplishments and planned activities of the Office.

In addition to these program initiatives, the OIG pursued an active audit and investigative program. During 1979, OIG continued its efforts to achieve maximum coverage of its annual audits through the efficient utilization of DOL audit staff, contracts with Independent Public Accountants and agreements with State and local audit agencies. Final audit reports were issued on 125 CETA Title I prime sponsors, 165 CETA Native American grantees, three CETA Migrant grantees and 11 Job Corps grantees. Audit reports were also issued on 17 State Employment Security Agencies, 12 Occupational Safety and Health programs, two Mine Safety and Health programs and five internal organizations. The combined efforts of the OIG auditor staff, State and local audit groups and Independent Public Accountants achieved a 44 percent coverage of the annual audits.

In the area of program investigations, which includes grant fraud, worker's compensation and employee integrity investigations, OIG opened 870 new cases and closed a total of 532 cases. As of September 30, 1979, 777 cases remained open in this area. During FY 1979, a total of 133 indictments were obtained resulting in 92 convictions or pleas.

The OIG Organized Crime Investigations Program opened 348 cases in FY 1979 and closed 26 cases. As of September 30, 1979, 323 cases remained open. During FY 1979, a total of 16 indictments were obtained resulting in 11 convictions or pleas.

Employees' Compensation Appeals Board

The Employees' Compensation Appeals Board (ECAB) carried out its decision-making activities by closing 1,262 cases during the year. The Board has authority to make final decisions on appeals arising under the Federal Employees' Compensation Act involving work-connected injuries and diseases.

The Board began the 1979 fiscal year with 298 cases pending. During the year 1,518 new appeals were docketed and 1,262 were closed, leaving 554 pending cases at the end of the year. This continuing dramatic increase in workload is evident from a comparison with fiscal year 1978, when 805 appeals were filed and 708 closed; fiscal year 1977, when 646 were filed and 563 closed; fiscal year 1976, when 452 appeals were filed and 386 closed; and fiscal 1975, when 305 appeals were filed and 296 closed.

Of the 554 pending cases, 129 were ready for Board decision. The balance were awaiting action by the parties, such as the filing of a memorandum by the Office of Workers' Compensation Programs to justify its determination or a reply by appellant to the Office's memorandum.

The average elapsed time between the docketing of an appeal and its disposition by the Board was 3.7 months in fiscal year 1979, as compared to 3.5 months in fiscal year 1978. The increased time lapse was due to the substantial increase in the Board's workload.

Employees' Compensation Appeals Board

The Employees' Compensation Appeals Board (ECAB) is a quasi-judicial body established by the Federal Employees' Compensation Act (FECA) to review and decide appeals from decisions of the Federal Employees' Compensation Board (FECB) regarding compensation, medical benefits, and other matters relating to FECA.

The Board began its work in 1972. During the year 1972, the Board received 1,200 appeals, of which 1,100 were decided. The Board's workload has increased steadily since that time. In 1973, the Board received 1,300 appeals, of which 1,200 were decided. The Board's workload is expected to continue to increase in the future.

The Board's decisions are final and binding on the parties. The Board's decisions are subject to review by the Federal Circuit Court of Appeals. The Board's decisions are also subject to review by the Supreme Court of the United States.

The Board's decisions are based on the facts and circumstances of each case. The Board's decisions are also based on the law. The Board's decisions are also based on the policies of the Federal Employees' Compensation Act.

Benefits Review Board

FY 1979 saw major changes at the Benefits Review Board as steps were implemented to establish an expanded, more flexible organization better able to handle the massive increase in appeals expected in FY 1980 and 1981 as a result of changes to Black Lung legislation. Twenty-five new attorneys were hired at the end of the legislation. Twenty-five new attorneys were hired at the end of the fiscal year to handle the FY 1980 workload increase. Major attention was devoted to training and communications throughout attention was devoted to training and communications throughout FY 1979 to equip both Board staff and its client community to better handle changes in Black Lung law. Under the Board's leadership, a series of Black Lung continuing legal education seminars was initiated, jointly sponsored by the Department and by state bar associations. For internal training, extensive programs were designed for both Black Lung and Longshore covering medical and legal aspects and legislative histories of these statutes. Presentations by nationally and internationally renowned authorities were featured and videotaped for future use. Sessions were attended not only by newly hired Board attorneys, but also by staff from other DOL agencies.

Desk Books were published for both Longshore and Black Lung featuring indexed summaries of precedential decisions of the Board and the Federal Courts. Periodically updated, they provide a comprehensive user's guide to the continuing evolution of Black Lung and Longshore law. Originally designed as internal documents, in FY 1979, the Desk Books were expanded and selectively distributed to the Board's client community of attorneys and others representing employees, employers and insurance carriers. Copies were also distributed to agencies within the Department with roles in the Black Lung/Longshore claims process.

During the year, the Board issued 624 final dispositions, of which 355 were for Longshore appeals and 269 for Black Lung appeals. The number of new Longshore appeals increased 45 percent over FY 1978 to 674. Only 107 Black

Lung appeals were filed; down 68 percent from FY 1978. The temporary drop in Black Lung filings was attributable to legislative changes and the processing time required before appeals under revised Black Lung legislation reach the Board. Appeals in FY 1979 were increasingly complex as reflected by the growing number of appeals raising multiple issues and corresponding greater length of Board decisions.

Board decisions are published and available to the public.

Information Activities

Public concern about the nation's changing economic outlook and how it would affect American workers formed the basis for many of the Department's information activities during fiscal 1979.

Continuing rapid inflation, worsening energy shortages and concern about potential economic recession attracted heavy interest to the Department's releases of monthly data on wages, prices, productivity, the employment situation and other key economic indicators.

These figures served as guideposts for policymakers as the Administration formulated and put into effect its revised anti-inflation program. The general public monitored media reports of the statistics for consumer price increases and declines in workers' real earnings that might signal the need for family budget tightening.

Attention also was focused heavily on the Administration's continuing efforts to promote employment opportunities for workers.

As federal job and training programs were revised to place more emphasis on creating jobs for the most seriously disadvantaged and a new Targeted Jobs Tax Credit was made available to employers hiring members of disadvantaged groups, the Department issued special information materials and responded to numerous inquiries about how these programs would operate and achieve their goals.

To increase public understanding of locally administered job and training programs funded under the Comprehensive Employment and Training Act, regional "CETA and the Media" seminars were held in Boston, Atlanta, Philadelphia, Seattle and Los Angeles. Goals of the seminars were to familiarize the media with CETA operations and establish lines of communication between local CETA prime sponsors and media covering their activities.

In addition to panel discussions and other seminar activities, media representatives accompanied Secretary Marshall on tours of local CETA program sites and participated in

news conference question-and-answer sessions.

Throughout the year, the media expressed continuing interest in the Department's increased efforts to track down and eliminate fraud and abuse in employment and training programs, contacting the Department from towns and cities across the country to inquire about the status of federally funded program in their communities.

As in past years, high priority was placed on strengthening communications with constituent groups served by the Department.

Secretary Marshall initiated a series of news briefings for the labor press, at which he and top programs officials discuss and answered questions about various fields of the Department's work as they affected union members.

Also helping to reach and inform target groups served by Department programs were weekly mailings of specially tailored news and feature stories to media serving blacks, Hispanic Americans, women, labor and small-town residents.

The Secretary continued to hold periodic news briefings for media representatives regularly covering the Department to discuss and explain timely issues. News conferences open to all major print and electronic media were held by the Secretary and other top officials to announce and allow in depth coverage of especially newsworthy developments or activities.

Other major tools for reaching and informing the public included news releases covering the Department's day-to-day activities, as well as fact sheets, publications, exhibits and audi-visual materials explaining Department programs and services.

Department officials scheduled numerous speaking engagements before organizations representing labor, business, state and local government, the academic community and other groups to address their specific interests and concerns under the Department's jurisdiction.

Information offices in Washington, D.C., and the field responded to inquiries and publication requests and performed other appropriate information tasks throughout the year.

Also in 1979, a reorganization and consolidation of audi-visual and graphic services functions was completed with the establishment of a new Division of Audiovisual Communica-

tions Services. The reorganization provided for more efficient management of the Department's audio-visual resources, while more effectively ensuring the production of high-quality videotape, reproduction, sound recording, still photography and graphic arts services meeting the Department's needs.

Throughout the year, the Department sought to stimulate the flow of useful information to the public affected by its many programs, while also being responsive to those seeking help in understanding the far-reaching and often complex functions of a major Cabinet-level agency of the federal government.

Chief of Bureau of Public Information and Training Staff
Agency PR 70

Characteristics of Participants in Community
Performance of Training Agency PR 70
U.S. and Foreign PR 70

Public Information Service Agency PR 70
PR 70

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Appropriations and Other Obligational Authority

Federal Funds	Fiscal Year 1979 Amounts
Employment and Training Administration (Program Administration)	90,866,000
Employment and Training Assistance	6,892,452,000
Community Service for Older Americans	220,600,000
Temporary Employment Assistance	3,404,424,000
Federal Unemployment Benefits and Allowances	950,000,000
Grants to States for Unemployment Insurance and Employment Services ..	21,600,000
Advances to the Unemployment Trust and Other Funds	700,000,000
Total, Employment and Training Administration	12,279,942,000
Labor-Management Services Administration	53,773,000
Employment Standards Administration	161,880,000
Special Benefits	231,200,000
Occupational Safety and Health Administration	173,034,000
Mine Safety and Health Administration	129,172,000
Bureau of Labor Statistics	94,752,000
Departmental Management	81,077,000
Special Foreign Currency	70,000
Proprietary receipts	3,941,000
Total, Federal Funds	13,200,959,000
Trust Funds	
Unemployment Trust Fund (ETA)	15,889,837,000
Black Lung Disability Trust Fund (ESA)	722,265,000
Special Workers Compensation Expenses (ESA)	6,569,000
Gifts and Bequests (ETA)	499,000
Total, Trust Funds	16,619,170,000
Interfund transactions	-1,200,809,000
Other Funding	
Funds appropriated to other agencies for programs administered by the Department of Labor, Department of Housing, Education and Welfare (Work Incentive Program)	385,000,000
Other Federal agencies (Federal Employees Compensation Act)	500,198,000
Total, Other Funds	885,198,000
Grand Total	29,504,518,000

Number of Employees on Labor Department Rolls As of September 30, 1979

	Full-Time Employees			Other		
	Total	DC	Field	Total	DC	Field
All Agencies	21,719	7,290	14,429	1,045	385	660
ETA	3,507	1,286	2,221	89	49	40
LMSA	1,272	649	623	74	45	29
ESA	4,991	1,030	3,961	165	39	126
OSHA	2,855	587	2,268	29	21	8
MSHA	3,703	295	3,408	103	30	73
BLS	2,087	1,476	611	374	33	341
OSEC	860	492	368	117	104	13
SOL	818	401	417	35	15	20
ILAB	376	376	—	—	—	—
OASAM	1,250	698	552	59	49	10

Comprehensive Employment and Training Act Activity, Fiscal Year 1979

(Figures for 9 months through June 30, 1979)

Activity	Total	Title III ABC	Title II D	Title VI
Total Enrollment ¹	1,706,000	909,800	316,200	480,000
Classroom Training	348,200	340,700	4,200	3,300
On-the-Job Training	129,600	127,700	1,400	500
Public Service Employment	722,600	8,100	246,100	468,400
Work Experience	310,500	296,600	5,700	8,200
New Enrollment	795,700	588,800	83,900	123,000
Current Enrollment, as of June 30, 1979 ¹	958,000	372,100	260,900	325,000
Classroom Training	141,700	135,400	4,200	2,100
On-the-Job Training	46,400	44,800	1,400	200
Public Service Employment	553,500	1,100	246,100	306,300
Work Experience	136,000	124,500	5,700	5,800
Total Terminations	752,700	537,800	55,300	159,600
Total Placements	325,400	255,700	23,900	45,800
Direct Placements	51,900	51,500	100	300
Indirect Placements	174,100	137,100	13,200	23,800
Self Placements	99,400	67,100	10,600	21,700
Other Positive Terminations	188,000	128,300	8,200	51,500
	239,200	153,800	23,200	62,200

¹ Totals include individuals who were not enrolled in the activities listed.

Characteristics of Participants in Comprehensive Employment and Training Act, Title II ABC, Title IID, and Title VI Projects, Fiscal Year 1979

(Figures for 9 months through June 30, 1979; percent distribution)

Characteristic	Title II ABC	Title II D	Title VI
U.S. total:			
Number	909,800	316,200	480,000
Percent	100.0	100.0	100.0
Male	46.9	52.4	57.4
Female	53.1	47.6	42.6
Age:			
Under 22	47.2	21.7	20.6
22-44	45.4	62.8	64.1
45-54	4.5	9.3	9.2
55 and over	2.9	6.2	6.1
Education:			
High School Student	17.2	1.4	0.7
High School Dropout	30.0	25.4	27.9
12 and over	52.8	73.1	71.3
On Public Assistance:			
AFDC	17.4	12.2	11.6
Other	8.3	7.9	6.8
Economically disadvantaged			
Ethnic Group:	88.4	82.5	84.0
White	50.9	56.3	53.8
Black	31.9	27.6	28.8
American Indian	1.4	1.4	4.4
Other ¹	2.5	1.5	1.4
Hispanic	13.3	13.2	11.6
Limited English-speaking ability	5.5	4.7	4.9
Migrants or seasonal farm workers	1.2	0.9	1.2
Veteran:			
Total	8.5	16.8	17.9
Vietnam era ²	3.7	5.6	6.2
Special ³	1.4	3.0	3.3
Disabled	0.5	0.8	0.9
Handicapped	6.4	4.5	4.2
Offender	7.6	3.9	4.2
Labor Force Status:			
Underemployed	4.2	2.2	2.1
Unemployed	78.3	79.6	90.5
Other	17.5	18.1	7.4
Unemployment Insurance Claimant	5.4	11.3	12.2

¹ A large portion of this group reflects the nonclassification in Puerto Rico by ethnic categories.

² Served between August 5, 1964, and May 7, 1975, and are under age 35.

³ Served Indochina or Korea theater of operations from August 1964 to May 1975.

Selected Employment Service Activities, U.S. Totals, 1966-79 and by State, Fiscal Year 1979

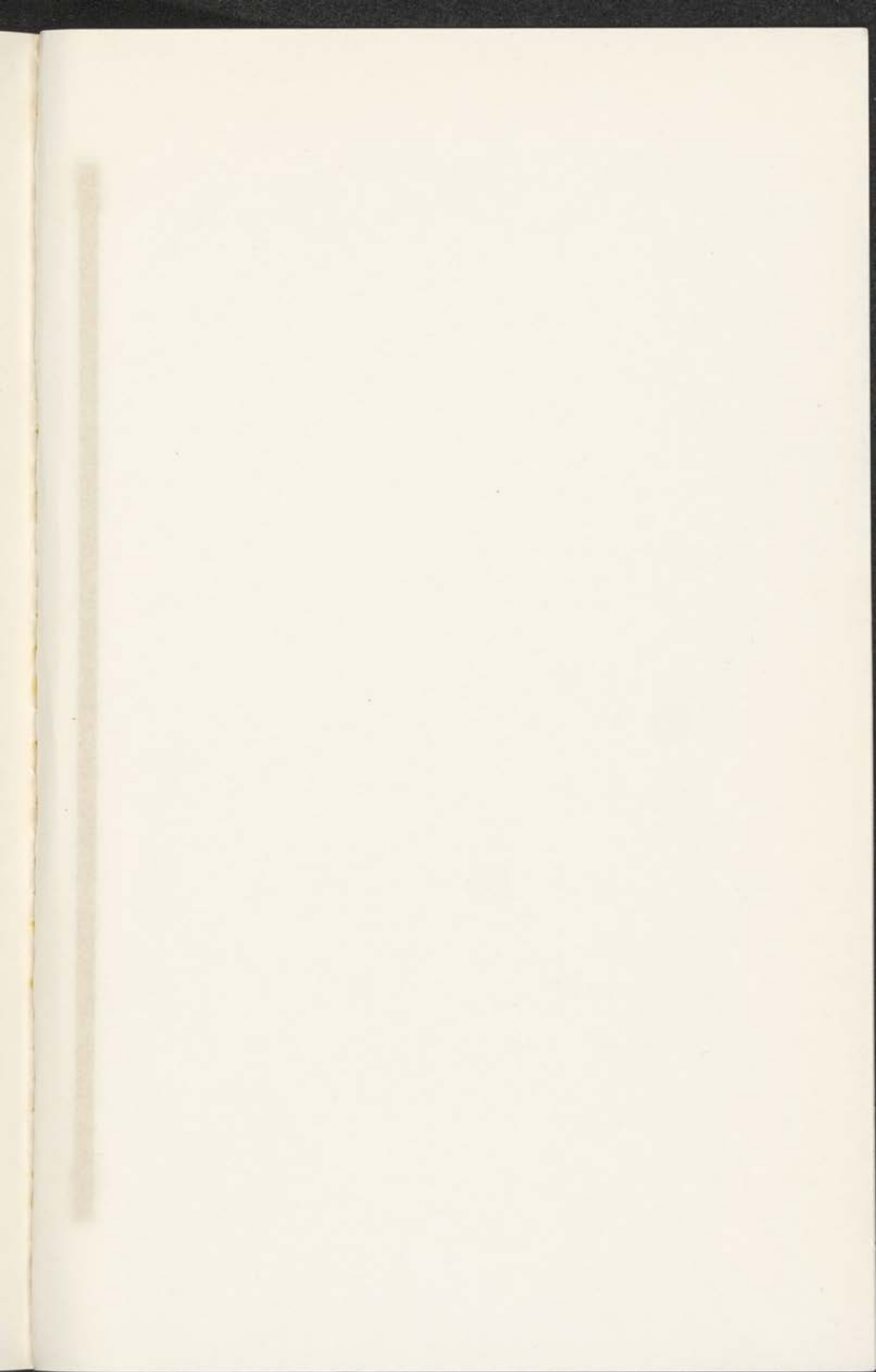
(Figures for 9 months through June 30, 1979)

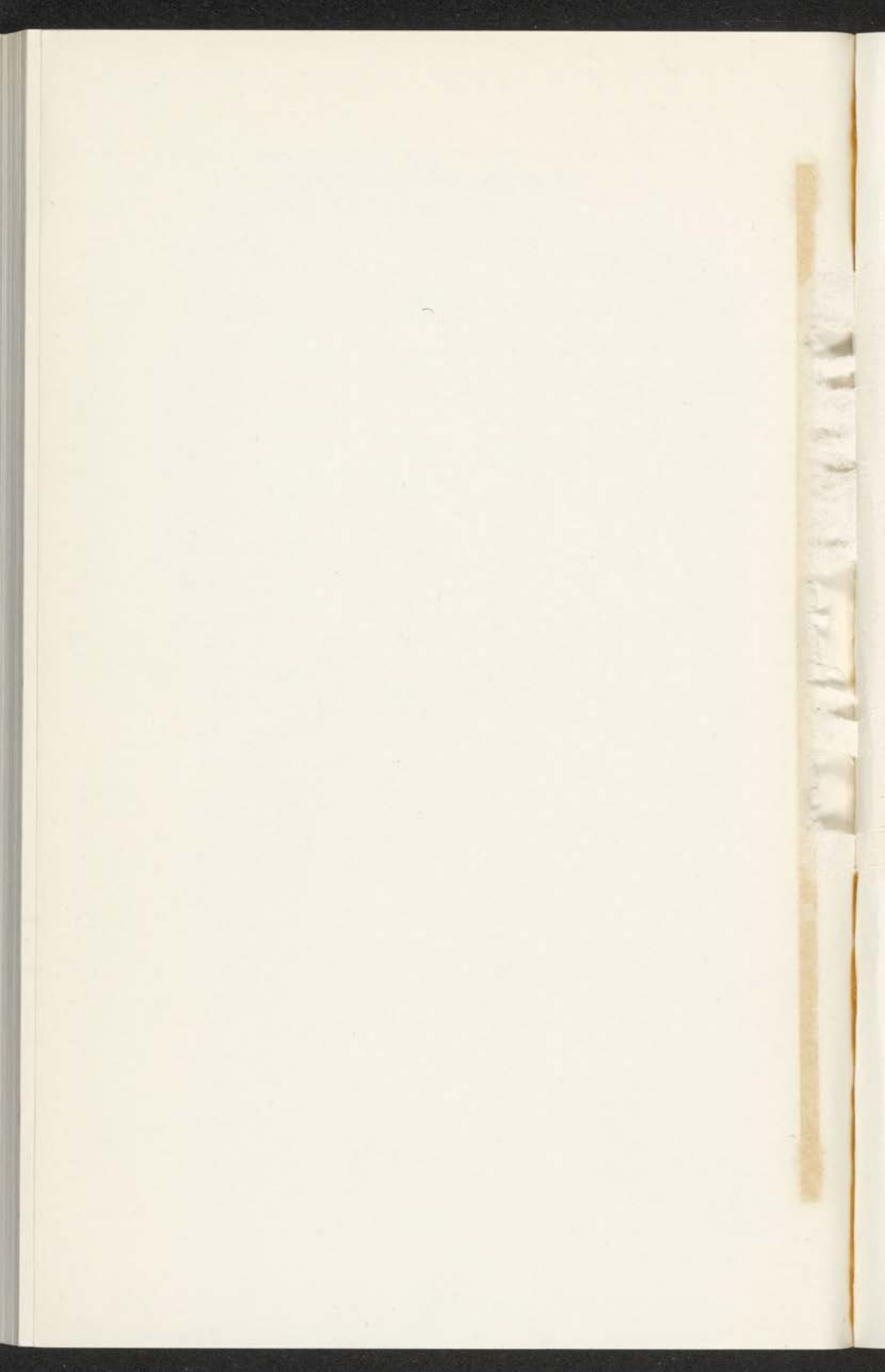
Fiscal year and State	New applications ^a	Total counseling interviews	Test administered	Placements	
				In nonagricultural industries	In agricultural industries
1966	10,625,700	2,285,316	2,594,175	6,586,827	4,305,207
1967	10,773,823	2,399,120	2,277,114	6,142,153	4,112,938
1968	10,693,230	2,599,022	2,099,955	5,759,923	4,572,501
1969	9,962,834	2,503,928	1,783,298	5,524,269	4,864,495
1970	9,957,060	2,522,963	1,489,561	4,603,597	4,550,348
1971	9,740,415	2,388,563	1,198,423	3,596,832	3,263,541
1972	9,370,000	2,471,000	1,558,000	3,610,000	2,715,000
1973 ^b	11,485,026	2,564,935	1,611,500	4,516,703	2,104,931
1974	11,905,444	2,021,731	1,345,169	4,913,391	1,758,096
1975	12,348,586	1,643,521	1,676,826	4,273,911	1,497,591
1976	15,437,453	1,981,961	1,326,289	6,157,528	760,790
1977	12,349,795	1,654,207	1,134,050	5,544,125	387,425
1978	12,103,933	1,717,860	1,180,521	6,247,714	384,571
1979	12,801,374	1,719,846	1,246,823	6,349,180	406,184
Alabama	279,680	40,081	48,995	107,682	1,051
Alaska	49,344	4,477	5,328	30,972	227
Arizona	220,107	19,607	7,375	110,559	6,506
Arkansas	210,396	18,599	13,403	120,908	2,785
California	1,062,124	91,684	38,734	520,592	35,269
Colorado	180,090	26,142	15,076	99,029	5,677
Connecticut	146,518	21,855	6,154	46,718	1,766
Delaware	30,719	5,007	2,714	10,050	1,756
District of Columbia	74,974	18,985	14,066	41,323	49
Florida	512,275	53,485	39,121	215,599	11,008
Georgia	340,132	61,833	24,302	140,859	2,565
Hawaii	63,613	7,938	2,724	26,579	811
Idaho	80,267	13,999	9,932	51,523	5,192
Illinois	600,071	106,740	32,604	237,326	2,974
Indiana	380,091	20,364	29,630	132,410	2,331
Iowa	209,248	13,221	36,057	163,474	9,614
Kansas	134,773	13,131	8,084	79,505	7,759
Kentucky	241,011	50,024	35,446	82,818	1,140
Louisiana	195,161	23,652	22,851	91,252	675
Maine	54,465	10,582	1,262	29,048	717
Maryland	151,634	21,090	11,156	40,673	733
Massachusetts	206,857	39,148	7,194	127,294	8,157
Michigan	625,630	46,626	29,999	189,032	17,943
Minnesota	246,237	25,309	29,496	124,418	28,804
Mississippi	205,182	70,655	39,542	106,815	1,152
Missouri	344,037	42,207	50,533	185,750	3,086
Montana	75,621	21,308	11,227	58,158	6,147
Nebraska	84,966	12,505	8,766	59,842	4,428
Nevada	77,032	7,694	9,617	47,166	1,709
New Hampshire	44,795	5,430	2,197	16,251	207
New Jersey	237,851	25,815	6,141	142,098	683
New Mexico	126,193	22,449	7,142	57,408	4,598
New York	516,617	122,303	88,065	640,220	9,694
North Carolina	374,730	66,877	61,604	137,277	55,281
North Dakota	47,962	10,700	11,607	49,847	2,312

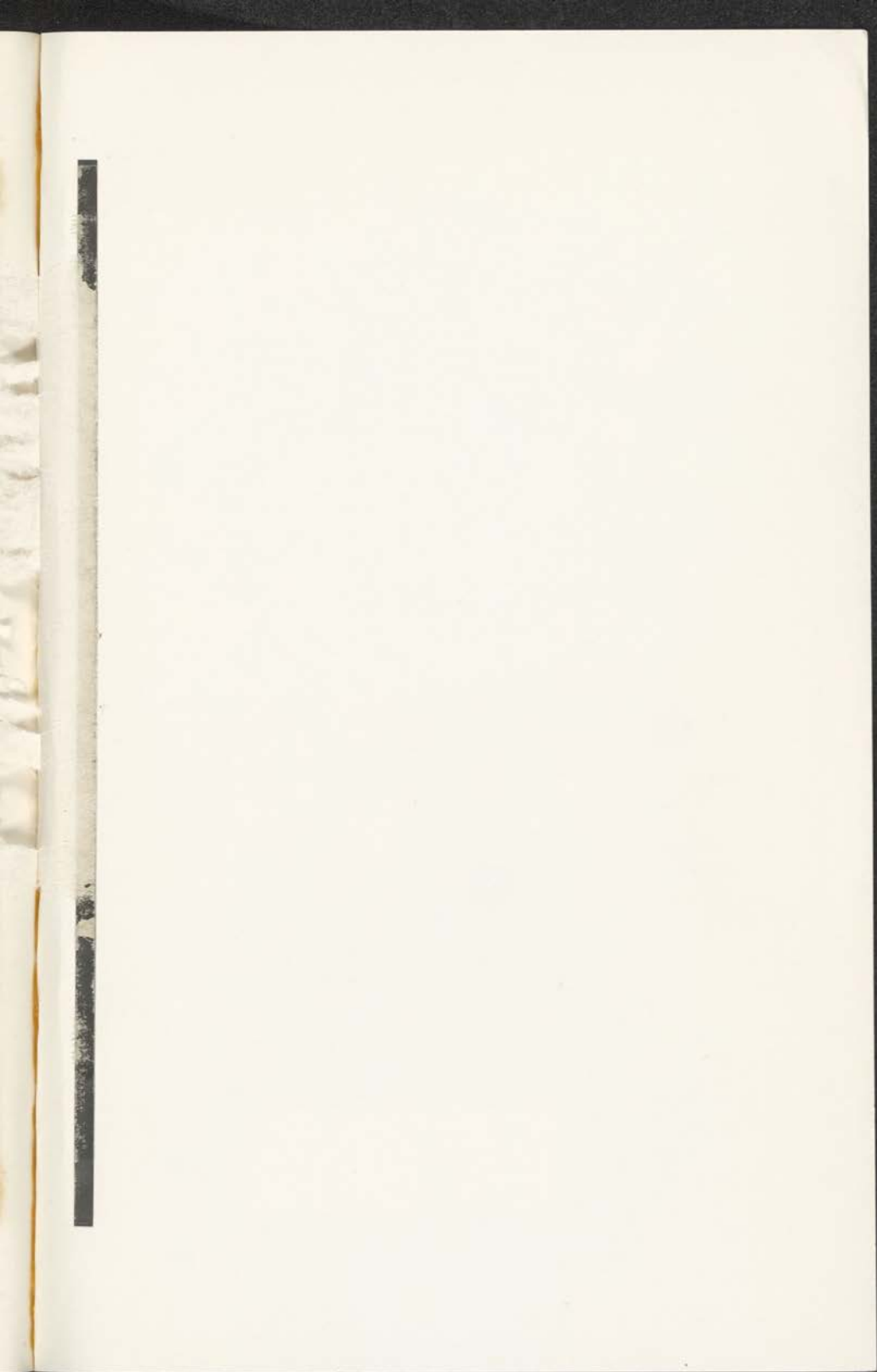
Selected Employment Service Activities, U.S. Totals, 1966-79 and by State, Fiscal Year 1979

(Figures for 9 months through June 30, 1979)

Fiscal year and State	New applications ¹	Total counseling interviews	Test administered	Placements	
				In nonagricultural industries	In agricultural industries
Ohio	581,881	45,975	52,990	176,649	18,108
Oklahoma	247,604	33,640	36,812	169,676	6,649
Oregon	225,243	37,562	15,864	96,233	21,693
Pennsylvania	508,786	48,488	68,449	241,439	2,662
Puerto Rico	204,818	14,972	3,195	66,934	6,378
Rhode Island	54,967	15,449	1,703	29,193	552
South Carolina	212,705	29,471	36,210	84,507	12,336
South Dakota	50,771	13,510	10,101	62,739	2,506
Tennessee	232,190	37,292	26,269	125,701	4,675
Texas	852,238	104,853	118,108	445,857	30,617
Utah	101,231	20,963	18,920	90,576	4,355
Vermont	41,615	7,917	2,366	17,642	618
Virginia	311,953	43,841	43,880	108,411	5,098
Washington	279,762	27,768	14,992	120,743	39,009
West Virginia	140,492	16,278	5,772	40,052	1,332
Wisconsin	279,647	50,615	17,313	116,841	3,239
Wyoming	39,068	9,725	5,735	35,512	1,551
National	12,801,374	1,719,846	1,246,823	6,349,180	406,184







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