

## 2. Overview

The action to combine all Corps of Engineers laboratories into the ERDC and expand coverage of the WES Personnel Management Demonstration Project to the entire ERDC prompted a review of the provisions of the project to assure acceptance by all levels of management, employees, and bargaining units. The review revealed that the best interests of all involved would be better served by revising the manner in which performance is recognized in RIF procedures to allow for performance based on a longer period than that represented by a single performance score.

Dated: May 9, 2000.

Office of Personnel Management.

**Janice R. Lachance,**  
*Director.*

## I. Executive Summary

The Department of the Army established the personnel management demonstration projects to be generally similar to the system in use at the Navy personnel demonstration project known as China Lake. The projects and this amendment are built upon the concepts of linking performance to pay for all covered positions; simplifying paperwork in the processing of classification and other personnel actions; emphasizing partnerships among management, employees, and unions; and delegating other authorities to line managers.

## II. Introduction

The demonstration project at the ERDC attempts to provide managers with the authority, control and flexibility to achieve quality laboratories and quality products. These goals are met by employing the best candidates and ensuring the best employees are retained in the event of a reduction in force. The purpose of this amendment is to revise the procedures to recognize employee performance in establishing retention registers by basing the criterion on the average of the last three annual performance scores in the most recent 4-year period instead of the last single performance score. This considers employee performance over a longer period of time. Other basic provisions of the approved plan are unchanged.

## III. Personnel System Changes

This project is built upon the concepts of linking performance to pay, simplifying paperwork in the processing of classification and other personnel actions, emphasizing partnerships among management, employees and

unions, and delegating certain authorities to line managers. Pay for performance is accomplished by assigning a numerical score to an employee's performance at the end of the annual rating cycle and using the score to determine the employee's pay increase. Currently, the score is also used to determine in part an employee's retention standing in the event of a reduction in force. For RIF purposes, this amendment proposes instead to recognize employee performance by averaging the last three performance scores rather than using only the last performance score.

The **Federal Register**, Volume 63, Number 57, dated March 25, 1998, Section III.H.2. (Retention), page 14593, first paragraph, first sentence, is amended to read as follows:

Retention registers will be established based on the following criteria listed in order of priority: Tenure status (Tenure I—career, Tenure II—career conditional, Tenure III—modified term); veterans' preference; the average of the last three annual employee performance scores in the most recent 4-year period; and service computation date.

The use of three performance scores recognizes that an employee's performance may vary from one year to the next because of unforeseen circumstances such as an illness, relocation, a change in workload, or reorganization. The amendment incorporates the recommendations of management, employees and unions, ensures the very best employees are retained in the event of a RIF, and continues to support the objectives of the ERDC personnel management demonstration project.

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**BILLING CODE 6325-01-P**

## POSTAL SERVICE

### Privacy Act of 1974, Systems of Records

**AGENCY:** Postal Service.

**ACTION:** Notice of amendments to existing systems of records.

**SUMMARY:** The purpose of this document is to publish notice of amendments to two Privacy Act systems of records. The amendments conform to a rule change published in the **Federal Register** on January 25, 2000 (65 FR 3857-3859), amending Postal Service regulations that govern the disclosure of information contained in PS Form 1093, Application for Post Office Box or Caller Service, and PS Form 1583, Application for Delivery of Mail Through Agent. Information collected by these forms is

covered by Privacy Act systems of records USPS 010.020, Collection and Delivery Records—Boxholder Records, and USPS 010.050, Collection and Delivery Records—Delivery of Mail Through Agents, respectively, for which changes are proposed by this notice.

**DATES:** Any interested party may submit written comments on the proposed addition and modification. This proposal will become effective without further notice on June 21, 2000, unless comments received on or before that date result in a contrary determination.

**ADDRESSES:** Written comments on this proposal should be mailed or delivered to Administration and FOIA, United States Postal Service, 475 L'Enfant Plaza SW, RM 8141, Washington, DC 20260-5202. Copies of all written comments will be available at the above address for public inspection and photocopying between 8 a.m. and 4 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Betty Sheriff, (202) 268-2608.

### SUPPLEMENTARY INFORMATION:

Information about customers who use post office box service is maintained within Privacy Act system of records USPS 010.020, Collection and Delivery Records—Boxholder Records. In the past, the Postal Service has disclosed to the general public, upon request, the name, address, and telephone number of the holder of a post office box being used for the purpose of doing or soliciting business with the public. To provide a greater degree of privacy and security to the growing number of small business owners who operate out of their homes, that provision has been repealed. As a result, routine use No. 1 is deleted. The rule change referenced above also repeals a provision allowing disclosure of boxholder information in response to oral requests from law enforcement agencies made through the Postal Inspection Service, in the course of a criminal investigation, necessitating the deletion of routine use No. 4. The remaining routine use Nos. 2, 3, and 5 are redesignated as routine uses 1 through 3, respectively, and the "Note" preceding them is amended to delete the explanation as to when copies of PS Form 1093 may be provided (now incorporated into the routine use) and to succeed the routine uses as an exception. Under the exception, disclosure is not authorized by the routine uses if the individual boxholder has filed a protective order with the postmaster, unless the party seeking the information submits an order of a court of competent jurisdiction requiring disclosure.

Information about customers who use commercial mail receiving agency (CMRA) services, and the agents who provide those services, is maintained within Privacy Act system of records USPS 010.050, Collection and Delivery Records—Delivery of Mail Through Agents. Each applicant for delivery of mail to a CMRA is required to complete and sign PS Form 1583, Application for Delivery of Mail Through Agent. Information collected by PS Form 1583 includes the name, address, and telephone number of the agent and the addressee and, drivers license, or other forms of identification. In addition, the owner or manager of a CMRA is required to complete PS Form 1583-A, Application to Act as a Commercial Mail Receiving Agency, which includes the owner/manager's home address and telephone number. This notice amends the categories of records segment of the system notice to note the collection of additional information as a result of revision of PS Form 1583 and adoption of the new PS Form 1583-A.

Consistent with past practice, information provided by a CMRA customer on PS Form 1583 will not be available to the public. A review of the general routine uses (those applied to most Postal Service systems of records to enable the routine conduct of postal business) applied to system of records USPS 010.050 has resulted in the deletion of three routine uses. These routine uses permit disclosure to: an auditor of Postal Service finances, the Office of Management and Budget for review of private relief legislation, and labor organizations for collective bargaining purposes. Since such disclosures of information covered by this system should be unnecessary for those purposes, the routine uses are deleted. Under the remaining routine uses, the Postal Service will not disclose the name or address of a customer who has submitted an appropriate court order of protection unless the requester obtains an order of a court of competent jurisdiction that requires the disclosure notwithstanding the existence of the protective order.

In addition to the above, the Purpose statement for system USPS 010.050 is enhanced by adding objectives directly related to the longstanding purpose for which records in this system are collected.

The amendments proposed by this notice are not expected to diminish individual privacy rights. In fact, the amendments are intended to enhance the privacy of small business owners operating out of the home and of individuals such as battered individuals and stalking victims who feel they may

be at risk of harm if their physical location is not kept private. In the interest of those protections, certain routine uses have been deleted to reduce the number of situations in which disclosure may be made outside of the Postal Service and to strengthen assurances of privacy.

Pursuant to 5 U.S.C. 552a(e)(11), interested persons are invited to submit written data, views, or arguments on this proposal. A report of the amendments has been sent to Congress and to the Office of Management and Budget for their evaluation.

For the above reasons, the Postal Service proposes the following amendments. USPS Privacy Act system 010.020 was last published in its entirety in the **Federal Register** on October 26, 1989 (54 FR 43658–43659), and amended on October 11, 1990 (55 FR 41398–41399), and on February 23, 1999 (64 FR 8878). USPS 010.050 was last published in its entirety in the **Federal Register** on October 26, 1989 (54 FR 43660–43661), and amended on May 3, 1994 (59 FR 2284), and on February 23, 1999 (64 FR 8878).

#### USPS 010.020

##### SYSTEM NAME:

Collection and Delivery Records—Boxholder Records, 010.020.

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##### ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

###### [CHANGE TO READ:]

General routine use statements a, b, c, d, e, f, g, h, j, and m listed in the prefatory statement at the beginning of the Postal Service's published system notices apply to this system. A copy of PS Form 1093 may be furnished pursuant to any of the general routine uses. Other routine uses are as follows:

1. Subject to the exception noted below, disclosure of boxholder information may be made to a federal, state, or local government agency upon prior written certification that the information is required for the performance of its duties. A copy of PS Form 1093 may be furnished.

2. Subject to the exception noted below, the name or address of the holder of a post office box may be disclosed to a person empowered to serve legal process, or the attorney for a party in whose behalf service will be made, or a party who is acting *pro se*, on receipt of written information that meets prescribed certification requirements. A copy of the PS Form 1093 will not be furnished.

3. Subject to the exception noted below, disclosure of boxholder

information may be made, on prior written certification from a foreign government agency citing the relevance of the information to an indication of a violation or potential violation of law and its responsibility for investigating or prosecuting such violation, and only if the address is (a) outside the United States and its territories, and (b) within the territorial boundaries of the requesting foreign government. A copy of PS Form 1093 may be furnished.

*Exception:* Information concerning an individual boxholder who has filed an appropriate protective court order with the postmaster will not be disclosed under any routine use except pursuant to the order of a court of competent jurisdiction.

#### USPS 010.050

##### SYSTEM NAME:

Collection and Delivery Records—Delivery of Mail Through Agents, 010.050.

\* \* \* \* \*

##### CATEGORIES OF RECORDS IN THE SYSTEM:

Records contain the name, address, and telephone number of the agent and of the addressee, the signatures of both parties, and copies of forms of identification of the addressee.

\* \* \* \* \*

##### PURPOSE(S):

###### [CHANGE TO READ:]

- a. Serves as the written authority for delivery of mail to the addressee's agent.
- b. Promotes security of the mail.
- c. Protects postal customers from mail fraud and identity theft.

##### ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

###### [CHANGE TO READ:]

General routine use statements a, b, c, d, e, f, and g listed in the prefatory statement at the beginning of the Postal Service's published system notices apply to this system. Other routine uses are as follows:

1. Information may be disclosed for the purpose of identifying an address as an address of an agent to whom mail is delivered on behalf of other persons. This routine use does not authorize the disclosure of the identities of persons on behalf of whom agents receive mail.

*Exception:* Information concerning an individual who has filed an appropriate protective court order with the postmaster will not be disclosed under any of the general routine uses except

pursuant to the order of a court of competent jurisdiction.

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Stanley F. Mires,

Chief Counsel, Legislative.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42780; File No. SR-CBOE-00-17].

### Self-Regulatory Organizations; Proposed Rule Change by Chicago Board Options Exchange, Incorporated Relating to Designation of Financial/Operations Principals

May 12, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 11, 2000, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

#### I. Self Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule

The CBOE proposes to require each CBOE member subject to Commission Rule 15c3-1 (the "net capital rule") to designate a Financial/Operations Principal ("FINOP") and to register the FINOP with the Exchange. Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

\* \* \* \* \*

#### RULE 2.22—Other Fees or Charges

(a) No change.

(b) Registration Fees. Member organizations (*and individual members, if applicable,*) shall pay application, maintenance and transfer registration fees for *their* Series 7 qualified Registered Representatives ("RR") as described in Rule 9.3, [*and*] *their* Registered Options Principals ("ROP") as described in Rule 9.2 *and their Financial/Operations Principals ("FINOP") as described in rule 3.6A.* The fees are listed below:

(i) For each new RR, [*or*] ROP *or* FINOP applicant—\$35.00

(ii) For the maintenance of each RR, [*or*] ROP *or* FINOP Registration—\$30.00/year[.]

(iii) For an RR or ROP who transfers from another organization, *or a FINOP who transfers from another organization and does not maintain any other FINOP registrations—\$30.00*

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#### Qualification and Registration of Certain Associated Persons

*RULE 3.6A. (a) Financial/Operations Principal. Each individual member or member organization subject to Exchange Act Rule 15c3-1 shall designate a Financial/Operations Principal. The duties of a Financial/Operations Principal shall include taking appropriate actions to assure that the member complies with applicable financial and operational requirements under the Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to have successfully completed the Financial and Operations Principal Examination (Series 27 Exam). Each Financial/Operations Principal designated by a member shall be registered in that capacity with the Exchange in a form and manner prescribed by the Exchange. A Financial/Operations Principal of a member may be a full-time employee of the member, or with the prior written approval of the Exchange, may be a part-time employee or independent contractor of the member.*

*(b) Associated Person Statuses Under Chapter IX. Associated person statuses under Chapter IX (along with the primary Exchange Rule concerning the status) include: (i) Registered Options Principal (Rule 9.2); (ii) Registered Representative (Rule 9.3); (iii) Senior Registered Options Principal (Rule 9.8); and (iv) Compliance Registered Options Principal (Rule 9.8).*

*. . . Interpretations and Policies:*

*.01 Each person in an associated person status enumerated in paragraph (a) or (b) of this Rule shall, in a form and manner prescribed by the Exchange (i) submit to the Exchange a Uniform Application for Securities Industry Registration or Transfer (Form U-4) and (ii) promptly submit to the Exchange any required amendments to Form U-4.*

*.02 Any member that discharges or terminates the employment or retention of an associated person enumerated in paragraph (a) or (b) of this Rule shall comply with the termination filing*

*requirements set forth in Rule 9.3(b) and Rule (9.3(c)).*

*.03 Each person in an associated person status enumerated in paragraph (a) or (b) of this Rule is required to satisfy the continuing education requirements set forth in Rule 9.3A.*

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The purpose of the proposed rule change is to require each individual member or member organization subject to Exchange Act Rule 15c3-1, the net capital rule,<sup>3</sup> to designate a FINOP and to register the FINOP with the Exchange. The Exchange proposes to include this requirement in proposed new CBOE Rule 3.6A, "Qualification and Registration of Certain Associated Persons."

Proposed Rule 3.6A provides that the duties of a FINOP include taking appropriate actions to ensure that the member complies with applicable financial and operational requirements under the CBOE's Rules and the Act, including but not limited to requirements relating to the submission of financial reports and the maintenance of books and records. Additionally, each FINOP would be required to complete successfully the Financial and Operations Principal Examination (Series 27 Exam). Each FINOP designated by a member would also be required to be registered in that capacity with the Exchange in a form and manner prescribed by the Exchange.

Proposed Rule 3.6A also provides that a FINOP of a member could be a full-time employee of the member or, with the prior written approval of the

<sup>3</sup> 17 CFR 240.15c3-1. Certain options market makers are not subject to the net capital rule, see 17 CFR 240.15c3-1(b)(1)(i), and therefore are not subject to proposed CBOE Rule 3.6A.

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

<sup>2</sup> 17 CFR 240.19b-4.