

**OFFICE OF PERSONNEL
MANAGEMENT**

2002 and 2003 Nonforeign Area Cost-of-Living Allowance Survey Report: Revised Shelter Analyses

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: This notice publishes revised shelter (rent) analyses relating to the “2002 Nonforeign Area Cost-of-Living Allowance Survey Report: Caribbean and Washington, DC, Areas” and the “2003 Nonforeign Area Cost-of-Living Allowance Survey Report: Alaska and Washington, DC, Areas.” The Federal Government uses the results of surveys such as these to set cost-of-living allowance (COLA) rates for General Schedule, U.S. Postal Service, and certain other Federal employees in Alaska, Hawaii, Guam and the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. This notice explains the revised shelter analyses adopted by the Office of Personnel Management based on additional research undertaken after the publication of these two reports.

DATES: Comments on this report must be received on or before October 3, 2005.

ADDRESSES: Send or deliver comments to Donald J. Winstead, Deputy Associate Director for Pay and Performance Policy, Strategic Human Resources Policy Division, Office of Personnel Management, Room 7H31, 1900 E Street, NW., Washington, DC 20415–8200; fax: (202) 606–4264; or e-mail: COLA@opm.gov.

FOR FURTHER INFORMATION CONTACT: Donald L. Paquin, (202) 606–2838; fax: (202) 606–4264; or e-mail: COLA@opm.gov.

SUPPLEMENTARY INFORMATION: Section 591.229 of title 5, Code of Federal Regulations, requires the Office of Personnel Management (OPM) to publish nonforeign area cost-of-living allowance (COLA) survey summary reports in the **Federal Register**. On February 9, 2004, OPM published the “2002 Nonforeign Area Cost-of-Living Allowance Survey Report: Caribbean and Washington, DC, Areas” at 69 FR 6020. On March 12, 2004, OPM published the “2003 Nonforeign Area Cost-of-Living Allowance Survey Report: Alaska and Washington, DC, Areas” at 69 FR 12002. Since publishing the results of these surveys, OPM has adopted a new methodology for calculating rent indexes. This notice describes the new methodology, the effect on the rent indexes, and the effect on the final indexes.

New Shelter (Rental) Analyses

OPM developed a new methodology for analyzing rental prices in consultation with the Survey Implementation Committee (SIC) and Technical Advisory Committee (TAC). The SIC and the TAC were established pursuant to the settlement of *Caraballo, et al. v. United States*, No. 1997–0027 (D.V.I.), August 17, 2000. The SIC advises and assists OPM in the implementation of the new COLA methodology to which the parties agreed. The SIC consists of five plaintiffs’ representatives from the COLA areas and two OPM

representatives. The TAC consists of three economists who have expertise in living-cost measurement. The TAC performs research for and advises the SIC.

As described in the 2002 and 2003 survey reports, OPM hired a contractor, the Center of International and Interarea Comparisons (CIIC), to analyze the housing data and estimate relative rental rates and rental indexes. CIIC is well-known for its work in international price comparisons, and one of its co-directors of research is a member of the TAC. CIIC consulted closely with the TAC and the SIC in analyzing the rental survey results.

As noted in both the 2002 and 2003 survey reports, the TAC recommended that OPM review the issue of which rental equation to use and how to choose among equations as additional rental data become available. OPM agreed to do this. As OPM acquired more rental data and more experience analyzing these data, it became apparent that the hedonic regressions (a form of multiple linear regression) used in the 2002 and 2003 analyses could be improved.

Therefore, in consultation with the SIC and TAC, OPM recomputed the rent indexes for the 2002 Caribbean and 2003 Alaska surveys. Table 1 below shows the new rent indexes. Appendix 1 shows the regression equation in SAS code and the regression results for the 2002 Caribbean survey. (SAS is a proprietary statistical analysis computer software package.) Appendix 2 shows the regression equation in SAS code and the regression results for the 2003 Alaska survey.

TABLE 1.—RENT INDEXES

Area	Previous rent index	New rent index
Puerto Rico	65.52	70.89
St. Croix, USVI	67.50	71.71
St. Thomas/St. John, USVI	84.22	88.63
Anchorage, Alaska	86.06	89.99
Fairbanks, Alaska	78.84	79.96
Juneau, Alaska	92.91	91.68
Washington, DC, Area	*100.00	*100.00

*By definition, the index of the base area is always 100.00.

New COLA Indexes

Once OPM computed new rent indexes, it became necessary to compute new final overall COLA indexes because

these indexes would have changed compared with those OPM published with the 2002 and 2003 survey reports. Table 2 shows the new final indexes.

Appendix 3 shows the derivation of the Caribbean final indexes. Appendix 4 shows the derivation of the Alaska final indexes.

TABLE 2.—FINAL LIVING-COST INDEXES

Area	Previous final index	New final index
Puerto Rico	103.60	105.10
U.S. Virgin Islands	121.44	122.84
Anchorage, Alaska	112.63	113.79
Fairbanks, Alaska	115.26	115.61
Juneau, Alaska	118.34	118.03
Rest of the State of Alaska	134.80	136.00

Office of Personnel Management.
Linda M. Springer,
 Director.

Appendix 1—2002 Caribbean Survey Hedonic Rental Data Equations and Results

data temp; set opm.dcpvri;
 survey_area = 'XX';
 location = substr(compnumber,1,1);
 if location = 'A' then survey_area = 'SC';
 if location = 'B' then survey_area = 'ST';
 if location = 'C' then survey_area = 'PR';
 if location = 'D' then survey_area = 'DC';
 *Q1 yrbuilt;
 age = 2002 - yrbuilt;
 agesq = age*age;
 if age < 0 then delete;
 if age ≥ 200 then delete;
 sqsqspace = sqfootage*sqfootage;
 baths = fullbaths + halfbaths*.5 +
 threeqtrbaths*.75;
 Extrnl_Cond = 0;
 if extrcond = 'A' then Extrnl_Cond = 1;
 *(Good);
 Neighbor_Cond = 0;
 if neighcond = 'A' then Neighbor_Cond = 1;
 *(Desirable);
 hasgarage = 0;

if garage in ('A' 'B' 'C') then hasgarage = 1;
 *(Yes);
 Dup_Apartment = 0;
 if unittype in ('B' 'C' 'E' 'F' 'H') then
 Dup_Apartment = 1;
 *(Duplex, Triplex, Walkup, In-home, or other
 apartmnt);
 Highrise = 0;
 if unittype = 'G' then Highrise = 1; *(high rise
 apartment);
 Detached_Town = 0;
 *if unittype in ('A' 'D') then Detached_Town
 = 1; *(Detached, Townhouse, Row House);
 *omitting the above makes it the base
 condition;
 SqftXDup_Apartment = 0;
 if unittype in ('B' 'C' 'E' 'F' 'H') then
 SqftXDup_Apartment = sqfootage;
 SqftXHighrise = 0;
 if unittype = 'G' then SqftXHighrise =
 sqfootage;
 SqftXDetached_Town = 0;
 if unittype in ('A' 'D') then
 SqftXDetached_Town = sqfootage;
 sqfootagesq = sqfootage* sqfootage;
 hasclothesdryer = 0;
 if cldryer = 'Y' then hasclothesdryer = 1;
 hasdishwasher = 0;
 if dishwasher = 'Y' then hasdishwasher = 1;

hasmicrowave = 0;
 if microwave = 'Y' then hasmicrowave = 1;
 hassecurity = 0;
 if gated = 'Y' or accessctl = 'Y' or guards =
 'Y' or alarms = 'Y' then hassecurity = 1;
 ExceptionalView = 0;
 If excvview = 'Y' then ExceptionalView = 1;
 St_Croix = 0;
 if survey_area = 'SC' then St_Croix = 1;
 St_Thomas = 0;
 if survey_area = 'ST' then St_Thomas = 1;
 Puerto_Rico = 0;
 if survey_area = 'PR' then Puerto_Rico = 1;
 Wash_DC = 0;
 *** if survey_area = 'WA' then Wash_DC =
 1—Omitting this makes DC the base area;
 lrent = log(rent);
 PROC REG DATA = temp;
 MODEL lrent = SqftXDup_Apartment
 SqftXHighrise SqftXDetached_Town
 sqfootagesq age agesq baths bedrooms
 Dup_Apartment Highrise
 Neighbor_Cond hasclothesdryer
 hasdishwasher hasmicrowave
 Extrnl_Cond hassecurity ExceptionalView
 St_Croix St_Thomas Puerto_Rico;
 TITLE '2002 Caribbean Rental Data—Revised
 Rental Analyses Federal Register Model';
 RUN;

2002 CARIBBEAN RENTAL DATA—REVISED RENTAL ANALYSES FEDERAL REGISTER MODEL
 [The REG procedure model: MODEL1 dependent variable: lrent]

Number of Observations Read	1599
Number of Observations Used	1599

Analysis of variance

Source	DF	Sum of squares	Mean square	F Value	Pr > F
Model	20	345.01809	17.25090	388.32	<.0001
Error	1578	70.10212	0.04442		
Corrected Total	1598	415.12021			

Root MSE	0.21077	R-Square	0.8311
Dependent Mean	7.03692	Adj R-Sq	0.8290
Coeff Var	2.99522		

Parameter estimates

Variable	DF	Parameter estimate	Standard error	t Value	Pr > |t|
Intercept	1	6.16053	0.07083	86.97	<.0001
SqftXDup_Apartment	1	0.00084714	0.00006631	12.78	<.0001
SqftXHighrise	1	0.00067673	0.00007716	8.77	<.0001
SqftXDetached_Town	1	0.00061692	0.00008334	7.40	<.0001

Parameter estimates					
Variable	DF	Parameter estimate	Standard error	t Value	Pr > |t|
sqfootagesq	1	- 1.12749E-7	2.245397E-8	- 5.02	<.0001
age	1	- 0.00276	0.00067933	- 4.06	<.0001
agesq	1	0.00005451	0.00000734	7.43	<.0001
baths	1	0.08207	0.01164	7.05	<.0001
BEDROOMS	1	0.05114	0.01034	4.94	<.0001
Dup_Apartment	1	- 0.27875	0.05458	- 5.11	<.0001
Highrise	1	- 0.15790	0.06883	- 2.29	0.0219
Neighbor_Cond	1	0.18967	0.01468	12.92	<.0001
hasclothesdryer	1	0.06615	0.01406	4.70	<.0001
hasdishwasher	1	0.06214	0.01718	3.62	0.0003
hasmicrowave	1	0.07894	0.01478	5.34	<.0001
Extrnl_Cond	1	0.09525	0.01483	6.42	<.0001
hassecurity	1	0.08359	0.01276	6.55	<.0001
ExceptionalView	1	0.08695	0.02043	4.26	<.0001
St_Croix	1	- 0.34634	0.02769	- 12.51	<.0001
St_Thomas	1	- 0.13415	0.02694	- 4.98	<.0001
Puerto_Rico	1	- 0.35453	0.02086	- 16.99	<.0001

Appendix 2—2003 Alaska Survey Hedonic Rental Data Equations and Results

data temp; set OPM.ak_dc_2003_w_census;
 survey_area = 'XX';
 location = substr(compnumber,1,1);
 if location = 'A' then survey_area = 'JU';
 if location = 'B' then survey_area = 'FB';
 if location = 'C' then survey_area = 'AN';
 if location = 'D' then survey_area = 'DC';
 *Q1 yrbuilt;
 age = 2003 - yrbuilt;
 agesq = age*age;
 sqspace = sqfootage*sqfootage;
 baths = fullbaths + halfbaths*.5 +
 threeqtrbaths*.75;
 Neighbor_Cond = 0;
 if neighcond = 'A' then Neighbor_Cond = 1;
 *(Desirable);
 hasgarage = 0;
 if garage in ('A' 'B' 'C') then hasgarage = 1;
 *(Yes);
 Dup_Triplex = 0;
 if unittpe in ('B' 'C') then Dup_Triplex = 1;
 *(Duplex or Triplex);
 Non_Highrise = 0;

if unittpe in ('E' 'F' 'H') then Non_Highrise = 1; *(Walkup, In-home, or other apartmnt);
 Highrise = 0;
 if unittpe = 'G' then Highrise = 1; *(high rise apartment);
 Detached_Town = 0;
 *if unittpe in ('A' 'D') then Detached_Town = 1; *(Detached, Townhouse, Row House);
 *omitting the above makes it the base condition;
 SqftXDup_Triplex = 0;
 if unittpe in ('B' 'C') then SqftXDup_Triplex = sqfootage;
 SqftXNon_Highrise = 0;
 if unittpe in ('E' 'F' 'H') then SqftXNon_Highrise = sqfootage;
 SqftXHighrise = 0;
 if unittpe = 'G' then SqftXHighrise = sqfootage;
 SqftXDetached_Town = 0;
 if unittpe in ('A' 'D') then SqftXDetached_Town = sqfootage;
 hasclothesdryer = 0;
 if cldryer = 'Y' then hasclothesdryer = 1;
 hasfireplace = 0;
 if fireplace = 'Y' then hasfireplace = 1;

medianincomesq = medianincome*medianincome;
 Anchorage = 0;
 if survey_area = 'AN' then Anchorage = 1;
 Fairbanks = 0;
 if survey_area = 'FB' then Fairbanks = 1;
 Juneau = 0;
 if survey_area = 'JU' then Juneau = 1;
 Wash_DC = 0;
 *** if survey_area = 'WA' then Wash_DC = 1—Omitting this makes DC the base area;
 lrent = log(rent);
 PROC REG DATA = temp;
 MODEL lrent = SqftXDup_Triplex SqftXNon_Highrise SqftXHighrise SqftXDetached_Town age agesq baths bedrooms Dup_Triplex Non_Highrise Highrise Neighbor_Cond hasgarage hasclothesdryer hasfireplace medianincome medianincomesq PctallBA_PctSchoolAge Anchorage Fairbanks Juneau; TITLE '2003 Alaskan Rental Data—Revised Rental Analyses Federal Register Model'; RUN;

2003 ALASKAN RENTAL DATA—REVISED RENTAL ANALYSES FEDERAL REGISTER MODEL

The REG procedure model: MODEL1 dependent variable: lrentj

Number of Observations Read	1679
Number of Observations Used	1679

Analysis of variance

Source	DF	Sum of squares	Mean square	F Value	Pr > F
Model	22	216.72733	9.85124	393.42	<.0001
Error	1656	41.46655	0.02504		
Corrected Total	1678	258.19388			

Root MSE	0.15824	R-Square	0.8394
Dependent Mean	7.06679	Adj R-Sq	0.8373
Coeff Var	2.23922		

Variable	DF	Parameter estimate	Standard error	t Value	Pr > |t|
Intercept	1	6.78428	0.04463	152.01	<.0001
SqftXDup_Triplex	1	0.00012656	0.00003471	3.65	0.0003
SqftXNon_Highrise	1	0.00026632	0.00003630	7.34	<.0001
SqftXHighrise	1	0.00022895	0.00004467	5.13	<.0001
SqftXDetached_Town	1	0.00008622	0.00001571	5.49	<.0001
age	1	-0.00426	0.00067976	-6.27	<.0001
agesq	1	0.00005692	0.00000816	6.97	<.0001
baths	1	0.02324	0.00582	3.99	<.0001
BEDROOMS	1	0.12778	0.00743	17.19	<.0001
Dup_Triplex	1	-0.08525	0.04928	-1.73	0.0839
Non_Highrise	1	-0.31060	0.03842	-8.09	<.0001
Highrise	1	-0.17676	0.04867	-3.63	0.0003
Neighbor_Cond	1	0.25807	0.03958	6.52	<.0001
hasgarage	1	0.11484	0.01101	10.44	<.0001
hasclothesdryer	1	0.05904	0.00883	6.69	<.0001
hasfireplace	1	0.05504	0.01017	5.41	<.0001
MedianIncome	1	-0.00000242	8.194014E-7	-2.96	0.0031
medianincomesq	1	2.2724E-11	4.80424E-12	4.73	<.0001
PCTAIIIBA	1	0.39214	0.04673	8.39	<.0001
PctSchoolAge	1	-0.71293	0.11164	-6.39	<.0001
Anchorage	1	-0.11428	0.01195	-9.56	<.0001
Fairbanks	1	-0.22871	0.01345	-17.01	<.0001
Juneau	1	-0.09632	0.01719	-5.60	<.0001

APPENDIX 3.—2002 FINAL LIVING-COST RESULTS FOR THE CARIBBEAN COLA AREAS

Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	PEG index	MEG index
PUERTO RICO					
1. Food		13.16			101.85
	Cereals and bakery products	0.98	7.45	105.91	
	Meats, poultry, fish, and eggs	1.47	11.16	99.40	
	Dairy products	0.65	4.94	124.86	
	Fruits and vegetables	0.73	5.56	107.05	
	Processed Foods	1.54	11.68	106.42	
	Other food at home	0.42	3.16	92.62	
	Nonalcoholic beverages	0.49	3.74	133.21	
	Food away from home	5.93	45.04	91.91	
	Alcoholic beverages	0.96	7.28	123.96	
	PEG Total		100.00		
2. Shelter and Utilities		31.30			85.20
	Shelter	28.07	89.67	71.88	
	Energy Utilities	2.65	8.46	236.07	
	Water and other public services	0.59	1.87	41.54	
	PEG Total		100.00		
3. Household Furnishings and Supplies		6.06			98.84
	Household operations	1.36	22.51	64.95	
	Housekeeping supplies	1.06	17.53	113.20	
	Textiles and Area Rugs	0.25	4.16	93.40	
	Furniture	1.05	17.39	95.70	
	Major appliances	0.37	6.03	116.32	
	Small appliances, misc. housewares	0.21	3.46	108.32	
	Miscellaneous household equipment	1.75	28.91	114.40	
	PEG Total		100.00		
4. Apparel and services		4.00			112.80
	Men and boys	0.75	18.69	107.05	
	Women and girls	1.67	41.66	114.32	
	Children under 2	0.18	4.55	103.86	
	Footwear	0.70	17.48	88.96	
	Other apparel products and services	0.71	17.63	141.24	
	PEG Total		100.00		
5. Transportation		16.93			107.51
	Motor Vehicle Costs	9.09	53.67	109.17	
	Gasoline and motor oil	2.71	16.02	84.24	
	Maintenance and repairs	1.81	10.72	94.31	
	Vehicle insurance	1.73	10.24	122.13	
	Public transportation	1.58	9.35	136.92	
	PEG Total		100.00		
6. Medical		4.44			73.31

APPENDIX 3.—2002 FINAL LIVING-COST RESULTS FOR THE CARIBBEAN COLA AREAS—Continued

Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	PEG index	MEG index
7. Recreation	Health insurance	2.08	46.97	59.73	
	Medical services	1.43	32.31	72.76	
	Drugs and medical Supplies	0.92	20.72	104.93	
	PEG Total		100.00		
		6.23			102.99
	Fees and admissions	1.46	23.38	95.96	
	Television, radios, sound equipment	0.77	12.38	115.85	
	Pets, toys, & playground equipment	1.15	18.48	98.43	
	Other entertainment supplies, etc.	0.97	15.57	106.71	
	PEG Total		100.00		
8. Education and Communication		4.09		132.89	
	Education	0.21	5.06	216.35	
	Communications	3.24	79.32	132.97	
	Computers and Computer Services	0.64	15.62	105.41	
	PEG Total		100.00		
9. Miscellaneous		13.79			103.10
	Tobacco products, etc.	0.48	3.51	87.91	
	Miscellaneous	2.09	15.12	123.28	
	Personal insurance and pensions	11.22	81.37	100.00	
Overall Price Index	MEG Total	100.00			98.10
Plus Adjustment Factor					7.00
Index Plus Adjustment Factor					105.10

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1. Food		13.16			116.05
	Cereals and bakery products	0.98	7.45	129.89	
	Meats, poultry, fish, and eggs	1.47	11.16	129.25	
	Dairy products	0.65	4.94	155.69	
	Fruits and vegetables	0.73	5.56	108.80	
	Processed foods	1.54	11.68	128.02	
	Other food at home	0.42	3.16	108.01	
	Nonalcoholic beverages	0.49	3.74	132.85	
	Food away from home	5.93	45.04	105.82	
	Alcoholic beverages	0.96	7.28	99.25	
	PEG Total		100.00		
	2. Shelter and Utilities	31.30			100.75
	Shelter	28.07	89.67	75.16	
	Energy utilities	2.65	8.46	343.31	
Water and other public services	0.59	1.87	230.60		
PEG Total		100.00			
3. Household Furnishings and Supplies		6.06			126.20
	Household operations	1.36	22.51	58.68	
	Housekeeping supplies	1.06	17.53	138.03	
	Textiles and area rugs	0.25	4.16	98.61	
	Furniture	1.05	17.39	141.31	
	Major appliances	0.37	6.03	127.13	
	Small appliances, misc. housewares	0.21	3.46	101.87	
	Miscellaneous household equipment	1.75	28.91	169.19	
PEG Total		100.00			
4. Apparel and Services		4.00			102.52
	Men and boys	0.75	18.69	115.94	
	Women and girls	1.67	41.66	98.51	
	Children under 2	0.18	4.55	83.57	
	Footwear	0.70	17.48	97.20	
	Other apparel products and services	0.71	17.63	107.95	
PEG Total		100.00			
5. Transportation		16.93			111.02
	Motor vehicle costs	9.09	53.67	112.02	
	Gasoline and motor oil	2.71	16.02	73.46	
	Maintenance and repairs	1.81	10.72	88.94	
	Vehicle insurance	1.73	10.24	119.53	
	Public transportation	1.58	9.35	185.59	
	PEG Total		100.00		
6. Medical		4.44			102.17
	Health insurance	2.08	46.97	110.99	

APPENDIX 3.—2002 FINAL LIVING-COST RESULTS FOR THE CARIBBEAN COLA AREAS—Continued

Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	PEG index	MEG index
7. Recreation	Medical services	1.43	32.31	83.05	
	Drugs and medical supplies	0.92	20.72	111.99	
	PEG Total			100.00	
		6.23			107.72
	Fees and admissions	1.46	23.38	85.81	
	Television, radios, sound equipment	0.77	12.38	94.05	
	Pets, toys & playground equipment	1.15	18.48	124.46	
	Other entertainment supplies, etc	0.97	15.57	118.42	
	Personal care products	0.69	11.10	120.92	
	Personal care services	0.70	11.29	107.77	
8. Education and Communication	Reading	0.49	7.80	115.28	
	PEG Total		100.00		
		4.09			173.59
	Education	0.21	5.06	268.97	
	Communications	3.24	79.32	180.93	
	Computers and computer services	0.64	15.62	105.41	
	PEG Total		100.00		
		13.79			105.08
	Tobacco products, etc	0.48	3.51	52.54	
	Miscellaneous	2.09	15.12	144.64	
9. Miscellaneous	Personal insurance and pensions	11.22	81.37	100.00	
	PEG Total				

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1. Food		13.16%			118.86	
	Cereals and bakery products	0.98	7.45	135.94		
	Meats, poultry, fish, and eggs	1.47	11.16	133.18		
	Dairy products	0.65	4.94	161.42		
	Fruits and vegetables	0.73	5.56	120.34		
	Processed foods	1.54	11.68	139.00		
	Other food at home	0.42	3.16	115.51		
	Nonalcoholic beverages	0.49	3.74	139.29		
	Food away from home	5.93	45.04	104.61		
	Alcoholic beverages	0.96	7.28	96.20		
	PEG Total		100.00			
		31.30			116.23	
	2. Shelter and Utilities	Shelter	28.07	89.67	92.42	
		Energy utilities	2.65	8.46	343.31	
Water and other public services		0.59	1.87	230.60		
PEG Total			100.00			
3. Household Furnishings and Supplies		6.06			126.12	
	Household operations	1.36	22.51	63.82		
	Housekeeping supplies	1.06	17.53	137.67		
	Textiles and area rugs	0.25	4.16	117.63		
	Furniture	1.05	17.39	141.31		
	Major appliances	0.37	6.03	121.04		
	Small appliances, misc. housewares	0.21	3.46	102.41		
	Miscellaneous household equipment	1.75	28.91	163.62		
PEG Total		100.00				
4. Apparel and Services		4.00			101.14	
	Men and boys	0.75	18.69	102.33		
	Women and girls	1.67	41.66	97.41		
	Children under 2	0.18	4.55	83.57		
	Footwear	0.70	17.48	99.03		
	Other apparel products and services	0.71	17.63	115.33		
PEG Total		100.00				
5. Transportation		16.93			119.49	
	Motor vehicle costs	9.09	53.67	111.91		
	Gasoline and motor oil	2.71	16.02	122.52		
	Maintenance and repairs	1.81	10.72	80.37		
	Vehicle insurance	1.73	10.24	119.53		
	Public transportation	1.58	9.35	202.62		
	PEG Total		100.00			
6. Medical		4.44			114.18	
	Health insurance	2.08	46.97	110.99		
	Medical services	1.43	32.31	121.45		
	Drugs and medical supplies	0.92	20.72	110.08		
PEG Total		100.00				
7. Recreation		6.23			106.38	

APPENDIX 3.—2002 FINAL LIVING-COST RESULTS FOR THE CARIBBEAN COLA AREAS—Continued

Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	PEG index	MEG index
	Fees and admissions	1.46	23.38	58.55	.....
	Television, radios, sound equipment	0.77	12.38	104.26	.....
	Pets, toys & playground equipment	1.15	18.48	132.35	.....
	Other entertainment supplies, etc	0.97	15.57	130.73	.....
	Personal care products	0.69	11.10	113.14	.....
	Personal care services	0.70	11.29	116.88	.....
	Reading	0.49	7.80	118.17	.....
	PEG Total		100.00		
8. Education and Communication		4.09			168.47
	Education	0.21	5.06	188.50	.....
	Communications	3.24	79.32	179.61	.....
	Computers and computer services	0.64	15.62	105.41	.....
	PEG Total		100.00		
9. Miscellaneous		13.79			102.87
	Tobacco products, etc.	0.48	3.51	60.63	.....
	Miscellaneous	2.09	15.12	128.10	.....
	Personal insurance and pensions	11.22	81.37	100.00	.....
	PEG Total				

APPENDIX 3.—2002 FINAL LIVING-COST RESULTS FOR THE CARIBBEAN COLA AREAS

Major expenditure group (MEG)	Primary expenditure group (PEG)	St. Croix index (percent)	St. Thomas/St. John indexes (percent)	U.S. Virgin Island wtd index
U.S. VIRGIN ISLANDS				
Employment Weights		44.0	56.0	.....
1. Food		116.05	118.86	117.62
	Cereals and bakery products	129.89	135.94	133.28
	Meats, poultry, fish, and eggs	129.25	133.18	131.45
	Dairy products	155.69	161.42	158.90
	Fruits and vegetables	108.80	120.34	115.26
	Processed foods	128.02	139.00	134.17
	Other food at home	108.01	115.51	112.21
	Nonalcoholic beverages	132.85	139.29	136.45
	Food away from home	105.82	104.61	105.14
	Alcoholic beverages	99.25	96.20	97.54
2. Shelter and Utilities		100.75	116.23	109.42
	Shelter	75.16	92.42	84.82
	Energy utilities	343.31	343.31	343.31
	Water and other public services	230.60	230.60	230.60
3. Household Furnishings and Supplies		126.20	126.12	126.15
	Household operations	58.68	63.82	61.56
	Housekeeping supplies	138.03	137.67	137.83
	Textiles and area rugs	98.61	117.63	109.26
	Furniture	141.31	141.31	141.31
	Major appliances	127.13	121.04	123.72
	Small appliances, misc. housewares	101.87	102.41	102.17
	Miscellaneous household equipment	169.19	163.62	166.07
4. Apparel and Services		102.52	101.14	101.75
	Men and boys	115.94	102.33	108.32
	Women and girls	98.51	97.41	97.89
	Children under 2	83.57	83.57	83.57
	Footwear	97.20	99.03	98.23
	Other apparel products and services	107.95	115.33	112.08
5. Transportation		111.02	119.49	115.76
	Motor vehicle costs	112.02	111.91	111.96
	Gasoline and motor oil	73.46	122.52	100.93
	Maintenance and repairs	88.94	80.37	84.14
	Vehicle insurance	119.53	119.53	119.53
	Public transportation	185.59	202.62	195.13
6. Medical		102.17	114.18	108.90
	Health insurance	110.99	110.99	110.99
	Medical services	83.05	121.45	104.56
	Drugs and medical supplies	111.99	110.08	110.92
7. Recreation		107.72	106.38	106.97
	Fees and admissions	85.81	58.55	70.55

APPENDIX 3.—2002 FINAL LIVING-COST RESULTS FOR THE CARIBBEAN COLA AREAS—Continued

Major expenditure group (MEG)	Primary expenditure group (PEG)	St. Croix index (percent)	St. Thomas/St. John indexes (percent)	U.S. Virgin Island wtd index
	Television, radios, sound equipment	94.05	104.26	99.77
	Pets, toys & playground equipment	124.46	132.35	128.88
	Other entertainment supplies, etc	118.42	130.73	125.31
	Personal care products	120.92	113.14	116.56
	Personal care services	107.77	116.88	112.87
	Reading	115.28	118.17	116.90
8. Education and Communication .....	.....	173.59	168.47	170.72
	Education	268.97	188.50	223.91
	Communications	180.93	179.61	180.19
	Computers and computer services	105.41	105.41	105.41
9. Miscellaneous .....	.....	105.08	102.87	103.84
	Tobacco products, etc.	52.54	60.63	57.07
	Miscellaneous	144.64	128.10	135.38
	Personal insurance and pensions	100.00	100.00	100.00
Overall Price Index .....	.....	.....	.....	113.84
Plus Adjustment Factor .....	.....	.....	.....	9.00
Preliminary COLA Rate .....	.....	.....	.....	122.84

APPENDIX 4.—2003 FINAL LIVING-COST RESULTS FOR THE ALASKA COLA AREAS

Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	PEG index	MEG index
ANCHORAGE, ALASKA					
1. Food .....	.....	12.30	.....	.....	114.58
	Cereals and bakery products	0.93	7.60	117.91	.....
	Meats, poultry, fish, and eggs	1.40	11.40	108.37	.....
	Dairy products	0.64	5.24	127.58	.....
	Fruits and vegetables	0.71	5.79	169.90	.....
	Processed foods	1.48	12.04	113.79	.....
	Other food at home	0.37	3.05	115.41	.....
	Nonalcoholic beverages	0.47	3.85	142.08	.....
	Food away from home	5.41	44.02	104.21	.....
	Alcoholic beverages	0.86	7.01	116.68	.....
	PEG Total .....	.....	100.00	.....	102.42
2. Shelter and Utilities .....	.....	33.18	.....	.....	.....
	Shelter	29.44	88.74	90.65	.....
	Energy utilities	3.05	9.20	212.43	.....
	Water and other public services	0.68	2.06	118.15	.....
	PEG Total .....	.....	100.00	.....	.....
3. Household Furnishings and Supplies .....	.....	6.07	.....	.....	105.32
	Household operations	1.53	25.20	102.92	.....
	Housekeeping supplies	1.05	17.31	103.97	.....
	Textiles and area rugs	0.29	4.76	102.25	.....
	Furniture	1.15	18.94	104.57	.....
	Major appliances	0.38	6.24	110.38	.....
	Small appliances, misc. housewares	0.20	3.24	114.16	.....
	Misc. household equipment	1.47	24.30	107.47	.....
	PEG Total .....	.....	100.00	.....	.....
4. Apparel and Services .....	.....	4.01	.....	.....	109.63
	Men and boys	0.90	22.43	118.23	.....
	Women and girls	1.58	39.55	112.12	.....
	Children under 2	0.18	4.60	90.70	.....
	Footwear	0.67	16.75	98.83	.....
	Other apparel products and services	0.67	16.68	108.24	.....
	PEG Total .....	.....	100.00	.....	.....
5. Transportation .....	.....	16.35	.....	.....	112.30
	Motor vehicle costs	8.57	52.43	102.17	.....
	Gasoline and motor oil	2.87	17.58	107.36	.....
	Maintenance and repairs	1.69	10.32	101.97	.....
	Vehicle insurance	1.79	10.92	135.96	.....
	Public transportation	1.43	8.76	165.59	.....
	PEG Total .....	.....	100.00	.....	.....
6. Medical .....	.....	4.75	.....	.....	111.51
	Health insurance	2.28	47.95	113.65	.....
	Medical services	1.55	32.53	118.98	.....

APPENDIX 4.—2003 FINAL LIVING-COST RESULTS FOR THE ALASKA COLA AREAS—Continued

Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	PEG index	MEG index
7. Recreation	Drugs and medical supplies	0.93	19.52	93.78	
	PEG Total		100.00		
		7.02			97.64
	Fees and admissions	1.46	20.77	92.96	
	Television, radios, sound equipment	0.73	10.36	100.15	
	Pets, toys, & playground equipment	1.04	14.84	104.07	
	Other entertainment supplies, etc.	2.02	28.81	101.48	
	Personal care products	0.82	11.62	86.00	
	Personal care services	0.56	7.90	88.08	
	Reading	0.40	5.70	110.95	
8. Education and Communication	PEG Total		100.00		
		4.05			100.37
	Education	0.18	4.42	29.67	
	Communications	3.37	83.30	104.60	
9. Miscellaneous	Computers and computer services	0.50	12.29	97.09	
	PEG Total		100.00		
		12.28			108.78
	Tobacco products, etc	0.46	3.75	108.17	
Overall Price Index Plus Adjustment Factor	Miscellaneous	1.83	14.89	156.88	
	Personal insurance and pensions	9.99	81.35	100.00	
	PEG Total		100.00		
	MEG Total	100.00			106.79
Index Plus Adjustment Factor					7.00
					113.79

FAIRBANKS, ALASKA

1. Food		12.30			116.25
	Cereals and bakery products	0.93	7.60	124.89	
	Meats, poultry, fish, and eggs	1.40	11.40	111.48	
	Dairy products	0.64	5.24	115.91	
	Fruits and vegetables	0.71	5.79	169.40	
	Processed foods	1.48	12.04	120.63	
	Other food at home	0.37	3.05	114.36	
	Nonalcoholic beverages	0.47	3.85	152.88	
	Food away from home	5.41	44.02	103.08	
	Alcoholic beverages	0.86	7.01	126.87	
2. Shelter and Utilities	PEG Total		100.00		
		33.18			99.91
	Shelter	29.44	88.74	80.87	
	Energy utilities	3.05	9.20	270.97	
3. Household Furnishings and Supplies	Water and other public services	0.68	2.06	155.96	
	PEG Total		100.00		
		6.07			109.56
	Household operations	1.53	25.20	99.74	
4. Apparel and Services	Housekeeping supplies	1.05	17.31	115.45	
	Textiles and area rugs	0.29	4.76	103.65	
	Furniture	1.15	18.94	104.57	
	Major appliances	0.38	6.24	126.17	
	Small appliances, misc. housewares	0.20	3.24	125.61	
	Misc. household equipment	1.47	24.30	114.19	
	PEG Total		100.00		
		4.01			106.64
5. Transportation	Men and boys	0.90	22.43	103.68	
	Women and girls	1.58	39.55	104.53	
	Children under 2	0.18	4.60	89.89	
	Footwear	0.67	16.75	93.82	
	Other apparel products and services	0.67	16.68	133.11	
	PEG Total		100.00		
		16.35			112.50
	Motor vehicle costs	8.57	52.43	101.33	
6. Medical	Gasoline and motor oil	2.87	17.58	106.31	
	Maintenance and repairs	1.69	10.32	95.57	
	Vehicle insurance	1.79	10.92	130.80	
	Public transportation	1.43	8.76	188.94	
	PEG Total		100.00		
	4.75			112.34	
Health insurance	2.28	47.95	111.83		
Medical services	1.55	32.53	123.13		
Drugs and medical supplies	0.93	19.52	95.63		

APPENDIX 4.—2003 FINAL LIVING-COST RESULTS FOR THE ALASKA COLA AREAS—Continued

Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	PEG index	MEG index
7. Recreation	PEG Total	7.02	100.00		97.66
	Fees and admissions	1.46	20.77	92.48	
	Television, radios, sound equipment	0.73	10.36	99.46	
	Pets, toys, & playground equipment	1.04	14.84	108.08	
	Other entertainment supplies etc.	2.02	28.81	106.80	
	Personal care products	0.82	11.62	83.46	
	Personal care services	0.56	7.90	60.47	
	Reading	0.40	5.70	120.53	
	PEG Total	4.05	100.00		101.90
8. Education and Communication	Education	0.18	4.42	13.84	
	Communications	3.37	83.30	107.28	
	Computers and computer services	0.50	12.29	97.09	
	PEG Total	12.28	100.00		110.23
9. Miscellaneous	Tobacco products, etc.	0.46	3.75	107.12	
	Miscellaneous	1.83	14.89	166.87	
	Personal insurance and pensions	9.99	81.35	100.00	
	PEG Total		100.00		
Overall Price Index	MEG Total	100.00			106.61
Plus Adjustment Factor					9.00
Index Plus Adjustment Factor					115.61

JUNEAU, ALASKA

1. Food	Cereals and bakery products	0.93	7.60	122.40		
	Meats, poultry, fish, and eggs	1.40	11.40	116.44		
	Dairy products	0.64	5.24	129.04		
	Fruits and vegetables	0.71	5.79	168.34		
	Processed foods	1.48	12.04	119.04		
	Other food at home	0.37	3.05	118.10		
	Nonalcoholic beverages	0.47	3.85	171.62		
	Food away from home	5.41	44.02	112.67		
	Alcoholic beverages	0.86	7.01	112.77		
	PEG Total	33.18	100.00		105.77	
	2. Shelter and Utilities	Shelter	29.44	88.74	92.06	
		Energy utilities	3.05	9.20	236.45	
		Water and other public services	0.68	2.06	112.61	
PEG Total		6.07	100.00		111.16	
3. Household Furnishings and Supplies	Household operations	1.53	25.20	104.07		
	Housekeeping supplies	1.05	17.31	118.21		
	Textiles and area rugs	0.29	4.76	108.66		
	Furniture	1.15	18.94	108.67		
	Major appliances	0.38	6.24	121.35		
	Small appliances, misc. housewares	0.20	3.24	104.19		
	Misc. household equipment	1.47	24.30	114.25		
	PEG Total	4.01	100.00		105.13	
4. Apparel and Services	Men and boys	0.90	22.43	111.43		
	Women and girls	1.58	39.55	100.69		
	Children under 2	0.18	4.60	88.83		
	Footwear	0.67	16.75	106.39		
	Other apparel products and services	0.67	16.68	110.38		
	PEG Total	16.35	100.00		107.08	
Transportation	Motor vehicle costs	8.57	52.43	98.27		
	Gasoline and motor oil	2.87	17.58	115.15		
	Maintenance and repairs	1.69	10.32	99.87		
	Vehicle insurance	1.79	10.92	92.71		
	Public transportation	1.43	8.76	170.09		
	PEG Total	4.75	100.00		113.18	
6. Medical	Health insurance	2.28	47.95	111.91		
	Medical services	1.55	32.53	123.47		
	Drugs and medical supplies	0.93	19.52	99.14		
	PEG Total		100.00			

APPENDIX 4.—2003 FINAL LIVING-COST RESULTS FOR THE ALASKA COLA AREAS—Continued

Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	PEG index	MEG index
7. Recreation		7.02			109.42
	Fees and admissions	1.46	20.77	99.88	
	Television, radios, sound equipment	0.73	10.36	105.97	
	Pets, toys, & playground equipment	1.04	14.84	107.48	
	Other entertainment supplies, etc.	2.02	28.81	112.91	
	Personal care products	0.82	11.62	111.96	
	Personal care services	0.56	7.90	83.02	
	Reading	0.40	5.70	169.37	
	PEG Total		100.00		
8. Education and Communication		4.05			103.58
	Education	0.18	4.42	22.50	
	Communications	3.37	83.30	108.24	
	Computers and computer services	0.50	12.29	101.15	
	PEG Total		100.00		
9. Miscellaneous		12.28			108.45
	Tobacco products, etc.	0.46	3.75	119.60	
	Miscellaneous	1.83	14.89	151.80	
	Personal insurance and pensions	9.99	81.35	100.00	
	PEG Total		100.00		
Overall Price Index	MEG Total	100.00			109.03
Plus Adjustment Factor					9.00
Index Plus Adjustment Factor					118.03

Anchorage results		Relative to				Kodiak relative to		
Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	DC PEG index	MEG index	Anchorage		DC
						PEG index*	MEG index*	MEG index

REST OF THE STATE OF ALASKA

1. Food		12.26			114.58		145.69	166.94
	Cereals and bakery products	0.93	7.60	117.91				
	Meats, poultry, fish, and eggs	1.40	11.40	108.37				
	Dairy products	0.64	5.24	127.58				
	Fruits and vegetables	0.71	5.79	169.90				
	Processed foods	1.48	12.04	113.79				
	Other food at home	0.37	3.05	115.41				
	Nonalcoholic beverages	0.47	3.85	142.08				
	Food away from home	5.40	44.02	104.21				
	Alcoholic beverages	0.86	7.01	116.68				
	PEG Total		100.00					
2. Shelter and Utilities		33.38			102.42		105.04	107.58
	Shelter	29.66	88.85	90.65		105.67		
	Energy utilities	3.04	9.11	212.43		100.00		
	Water and other public services	0.68	2.04	118.15		100.00		
	PEG Total		100.00%					
3. Household Furnishings and Supplies		6.05			105.32		134.18	141.32
	Household operations	1.52	25.20	102.92		100.00		
	Housekeeping supplies	1.05	17.31	103.97		145.69		
	Textiles and area rugs	0.29	4.76	102.25		145.69		
	Furniture	1.15	18.94	104.57		145.69		
	Major appliances	0.38	6.24	110.38		145.69		
	Small appliances, misc. housewares	0.20	3.24	114.16		145.69		
	Misc. household equipment	1.47	24.30	107.47		145.69		
	PEG Total		100.00					
4. Apparel and Services		3.99			109.63		145.69	159.73
	Men and boys	0.90	22.43	118.23				
	Women and girls	1.58	39.55	112.12				
	Children under 2	0.18	4.60	90.70				
	Footwear	0.67	16.75	98.83				
	Other apparel products and services	0.67	16.68	108.24				

Anchorage results		Relative to				Kodiak relative to		
Major expenditure group (MEG)	Primary expenditure group (PEG)	MEG weight (percent)	PEG weight (percent)	DC PEG index	MEG index	Anchorage		DC
						PEG index*	MEG index*	MEG index
5. Transportation	PEG Total	16.31	100.00		112.30		125.94	141.44
	Motor vehicle costs	8.56	52.47	102.17		145.69		
	Gasoline and motor oil	2.86	17.56	107.36		111.19		
	Maintenance and repairs	1.68	10.31	101.97		100.00		
	Vehicle insurance	1.78	10.91	135.96		100.00		
	Public transportation	1.43	8.75	165.59		100.00		
6. Medical	PEG Total	4.74	100.00		111.51		108.92	121.45
	Health insurance	2.27	47.95	113.65		100.00		
	Medical services	1.54	32.53	118.98		100.00		
	Drugs and medical supplies	0.92	19.52	93.78		145.69		
7. Recreation	PEG Total	7.00	100.00		97.64		132.59	129.46
	Fees and admissions	1.45	20.77	92.96		100.00		
	Television, radios, etc.	0.73	10.36	100.15		145.69		
	Pets, toys, & playground equipment.	1.04	14.84	104.07		145.69		
	Other entertainment supplies, etc..	2.02	28.81	101.48		145.69		
	Personal care products	0.81	11.62	86.00		145.69		
	Personal care services	0.55	7.90	88.08		100.00		
	Reading	0.40	5.70	110.95		145.69		
8. Education and Communication.	PEG Total	4.04	100.00		100.37		105.62	106.01
	Education	0.18	4.42	29.67		100.00		
	Communications	3.36	83.29	104.60		100.00		
	Computers and computer services.	0.50	12.29	97.09		145.69		
9. Miscellaneous	PEG Total	12.23	100.00		108.78		101.71	110.64
	Tobacco products, etc	0.46	3.75	108.17		145.69		
	Miscellaneous	1.82	14.89	156.88		100.00		
	Personal insurance and pensions.	9.95	81.36	100.00		100.00		
Overall Price Index	PEG Total		100.00					
Plus Adjustment Factor	MEG Total	100.00			106.79			127.00
Index Plus Adjustment Factor.					7.00			9.00
					113.79			136.00

*Except for rental data and indexes set at 100, all data area from the University of Alaska Fairbanks, March 2003. Rental data are from Alaska Department of Labor and Workforce Development, 2002. Indexes set to 100 assume costs in Kodiak are equal to those in Anchorage.

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 BILLING CODE 6325-39-P

OFFICE OF PERSONNEL MANAGEMENT

2004 Nonforeign Area Cost-of-Living Allowance Survey Report: Pacific and Washington, DC, Areas

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: This notice publishes the "2004 Nonforeign Area Cost-of-Living Allowance Survey Report: Pacific and Washington, DC, Areas." The Federal Government uses the results of surveys such as these to set cost-of-living

allowance (COLA) rates for General Schedule, U.S. Postal Service, and certain other Federal employees in Alaska, Hawaii, Guam and the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. This report contains the results of the COLA surveys conducted by the Office of Personnel Management in Hawaii, Guam, and the Washington, DC, area during the spring and summer of 2004.

DATES: Comments on this report must be received on or before October 3, 2005.

ADDRESSES: Send or deliver comments to Donald J. Winstead, Deputy Associate Director for Pay and Performance Policy, Strategic Human Resources Policy Division, Office of Personnel Management, Room 7H31, 1900 E Street, NW., Washington, DC 20415-

8200; fax: (202) 606-4264; or e-mail: COLA@opm.gov.

FOR FURTHER INFORMATION CONTACT: Donald L. Paquin, (202) 606-2838; fax: (202) 606-4264; or e-mail: COLA@opm.gov.

SUPPLEMENTARY INFORMATION: Section 591.229 of title 5, Code of Federal Regulations, requires the Office of Personnel Management (OPM) to publish nonforeign area cost-of-living allowance (COLA) survey summary reports in the **Federal Register**. We are publishing the complete "2004 Nonforeign Area Cost-of-Living Allowance Survey Report: Pacific and Washington, DC, Areas" with this notice. This report contains the results of the COLA surveys conducted by OPM