Section 14

PRICES

This section presents indexes of consumer prices for Honolulu, the implicit price deflator for gross state product, actual prices for selected foods, and comparisons of Honolulu and Hilo living costs with those in other urban areas. Other statistics on prices are reported in Sections 7, 16, 17, 18, 21, and 23.

During 1993, the Honolulu all-items consumer price index for all urban consumers (CPI-U) averaged 160.1, with the 1982-1984 level equal to 100. The index had increased 3.2 percent over the average for 1992, 31.6 percent since 1988, and 61.2 percent since 1983. Prices have risen most rapidly since the 1982-84 base period for shelter (83.5 percent) and medical care (97.4 percent) and have dropped most rapidly for utility gas (3.2 percent). The implicit price deflator for expenditures on gross state product (a measure of price changes used in the state product accounts) rose 53.7 percent between 1982 and 1992.

An "intermediate" budget for a four-person family living on Oahu was unofficially estimated at \$58,374 as of 1992. This family budget was 39.6 percent higher than the corresponding urban United States average. Differences were particularly marked for renter shelter costs (64.2 percent higher) and personal income taxes (83.0 percent higher).

The Honolulu consumer price index has been compiled by the U.S. Bureau of Labor Statistics since December 1963. This index measures the average change in prices of goods and services purchased by urban households. Prices are expressed as a percent of the average levels reported in 1982-1984, the base period. Current data for Honolulu and other cities are published in *CPI Detailed Report*, issued monthly by BLS.

Important technical changes have been made in the consumer price index in recent years. In 1983, the basis for measuring homeowners' costs was substantially modified. In 1987, component weights based on a 1982-1984 survey replaced the older weights derived from 1972-1973 data. At the same time, the publication of the Honolulu indexes was moved from a bimonthly to a semi-annual basis. Beginning in 1988, the base period was shifted from 1967 to 1982-1984. Both the CPI-U and CPI-W have been linked by DBED to older indexes going back to 1940.

Official comparisons of Honolulu and Mainland living costs are no longer being made on a regular basis. The annual four-person family budgets estimated by the Bureau of Labor Statistics for Honolulu and the Mainland were discontinued after 1981, and are now maintained unofficially by the Bank of Hawaii. A comparison of prices in Hawaii

and Washington, D.C., compiled for the U.S. Office of Personnel Management to provide a basis for cost of living adjustments for Federal employees, was most recently published for 1990. The American Chamber of Commerce Researchers Association (ACCRA) included Hilo in its list of participating cities for comparative living cost surveys until 1991. All of these studies are subject to technical limitations and must be interpreted with considerable caution.

No composite wholesale or producer price index is available for Hawaii. Average wholesale prices of agricultural products are reported in *Statistics of Hawaiian Agriculture*, issued by the Hawaii Agricultural Statistics Service, and in various other publications of the State Department of Agriculture. Wholesale price statistics of other commodities are seldom available.

Data on prices and living costs for the nation as a whole and other areas are summarized in *Statistical Abstract of the United States: 1993*, Section 15. Long-term trends for Hawaii are traced in *Historical Statistics of Hawaii*, Section 5.

Table 14.1-- IMPLICIT PRICE DEFLATOR FOR EXPENDITURES ON GROSS STATE PRODUCT: SELECTED YEARS, 1958 TO 1992

[1982 = 100]

Year	Deflator	Year	Deflator	Year	Deflator
1958 1960 1965 1970 1975 1976 1977	34.1 34.4 37.7 47.3 63.9 67.5 71.0 77.1	1979 1980 1981 1982 1983 1984 1985	84.0 89.3 93.3 100.0 104.2 108.1 111.7	1986 1987 1988 1989 1990 1991 1992 <u>1</u> /	114.6 119.8 124.5 130.8 138.0 146.2 153.7

^{1/} Projected.

Source: Hawaii State Department of Business and Economic Development, *Hawaii Gross State Product Accounts: 1958-1988* (June 1989), tables 1-A and 1-5, and records.

Table 14.2-- CONSUMER PRICE INDEX (ALL ITEMS COMBINED), BY TYPE OF CONSUMER, FOR HONOLULU: ANNUAL AVERAGES, 1940 TO 1993

[1982-1984 average = 100. Excludes rent before 1963]

Year	CPI-U	CPI-W	Year	CPI-U	CPI-W
1940	14.7	14.5	1968	37.7	37.2
1941	15.5	15.3	1969	39.4	38.8
1942	17.6	17.4			
1943	18.9	18.7	1970	41.5	40.9
1944	19.2	19.0	1971	43.2	42.6
1945	19.7	19.5	1972	44.6	44.0
1946	21.0	20.8	1973	46.6	45.9
1947	24.4	24.1	1974	51.5	50.8
1948	25.7	25.4	1975	56.3	55.5
1949	25.2	24.9	1976	59.1	58.3
			1977	62.1	61.2
1950	24.3	24.0	1978	66.9	65.9
1951	25.7	25.4	1979	74.3	73.2
1952	26.5	26.2			
1953	26.7	26.4	1980	83.0	81.9
1954	26.9	26.6	1981	91.7	90.5
1955	27.3	27.0	1982	97.2	96.0
1956	27.7	27.4	1983	99.3	99.8
1957	28.6	28.3	1984	103.5	104.3
1958	30.0	29.6	1985	106.8	107.9
1959	30.5	30.1	1986	109.4	110.3
		<u> </u>	1987	114.9	115.9
1960	31.3	30.9	1988	121.7	122.8
1961	32.1	31.7	1989	128.7	129.7
1962	32.8	32.4			
1963	33.5	33.1	1990	138.1	138.9
1964	33.7	33.3	1991	148.0	148.9
1965	34.4	33.9	1992	155.1	155.9
1966	35.3	34.8	1993	160.1	160.7
1967	36.3	35.8			

Source: 1964-1993 from U.S. Bureau of Labor Statistics, *CPI Detailed Report* (monthly) and BLS tapes tabulated by Hawaii State Data Center. 1940-1963 from surveys by Eugene Danaher and Hawaii State Department of Labor and Industrial Relations, cited in Hawaii State Department of Planning and Economic Development, *The Honolulu Consumer Price Index*, 1940-1986 (Statistical Report 187, May 30, 1986), as shifted to 1982-1984 base.

Table 14.3-- CONSUMER PRICE INDEX (ALL ITEMS COMBINED), BY TYPE OF CONSUMER, FOR HONOLULU: SEMI-ANNUALLY, 1984 TO 1993

[1982-1984 average = 100]

	All urbar	All urban consumers (CPI-U)			Urban wage earners and clerical workers (CPI-W)		
Year	Annual average	First half	Second half	Annual average	First half	Second half	
1984 1985 1986 1987 1988	103.5 106.8 109.4 114.9 121.7 128.7	102.5 106.3 108.9 113.3 120.1 126.4	104.4 107.4 109.9 116.5 123.4 131.1	104.3 107.9 110.3 115.9 122.8 129.7	103.0 107.4 109.9 114.3 121.1 127.4	105.5 108.4 110.7 117.6 124.5 132.0	
1990 1991 1992 1993	138.1 148.0 155.1 160.1	135.5 146.8 153.9 158.6	140.8 - 149.1 156.4 161.6	138.9 148.9 155.9 160.7	136.3 147.7 154.6 159.4	141.6 150.1 157.2 162.0	

Source: U.S. Bureau of Labor Statistics, *CPI Detailed Report* (monthly), BLS tapes tabulated by Hawaii State Data Center, and BLS press releases.

Table 14.4-- PERCENT CHANGE IN SELECTED PRICE INDEXES: 1982 TO 1992

Index <u>1</u> /	1982	1982	1987	1988	1989	1990	1991
	to						
	1992	1987	1992	1989	1990	1991	1992
Hawaii GSP deflator	53.7	19.8	28.3	5.1	5.5	5.9	5.1
Honolulu CPI-U	59.6	18.2	35.0	5.8	7.3	7.2	4.8
Honolulu CPI-W	62.4	20.7	34.5	5.6	7.1	7.2	4.7
U.S. CPI-U	45.4	17.7	23.5	4.8	5.4	4.2	3.0

^{1/} GSP deflator, the implicit price deflator for expenditures on Hawaii gross state product; CPI-U, consumer price index for all urban consumers; CPI-W, consumer price index for urban wage earners and clerical workers.

Source: U.S. Bureau of Labor Statistics, *CPI Detailed Report* (monthly); present report, tables 14.1 and 14.2.

Table 14.5-- CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U), BY EXPENDITURE CATEGORY AND COMMODITY AND SERVICE GROUP, FOR HONOLULU: ANNUAL AVERAGES, 1989 TO 1993

[Unless otherwise specified, 1982-1984 average=100]

Group	1989	1990	1991	1992	1993
All items	128.7	138.1	148.0	155.1	160.1
Food and beverages	128.1	137.8	145.9	148.5	152.9
Food	128.2	138.3	145.9	148.3	152.7
Food at home	131.5	145.0	152.8	155.0	158.0
Cereals and bakery products	139.3	151.7	159.5	163.3	166.0
Meats, poultry, fish, and eggs	133.1	147.2	154.5	157.3	154.5
Meats, poultry, and fish	133.9	148.0	155.5	159.1	156.0
Dairy products	115.5	121.9	125.6	128.2	130.3
Fruits and vegetables	142.2	167.4	175.8	172.9	181.0
Other foods at home	123.0	128.8	138.2	143.2	150.6
Food away from home	123.0	128.0	133.6	137.8	141.9
Alcoholic beverages	126.5	131.0	144.4	157.0	155.0
Housing	131.1	141.5	152.8	161.7	166.5
Shelter	141.1	154.5	169.3	179.6	183.5
Renters' costs 1/	143.4	158.1	174.6	185.2	190.4
Rent, residential	139.3	152.2	165.5	175.8	181.4
Other renters' costs	136.3	158.6	191.0	201.9	203.1
Homeowners' costs 1/	147.7	160.7	175.1	185.8	188.9
Owners' equivalent rent 1/	148.1	161.4	176.0	186.8	189.9
Fuel and other utilities	90.9	98.0	101.3	106.1	117.5
Fuels	75.7	84.1	85.6	90.0	102.6
Gas (piped) and electricity	75.1	83.6	84.9	89.4	101.8
Electricity	73.7	82.3	83.2	88.0	101.6
Utility (piped) gas	85.9	91.4	99.0	98.8	96.8
Household furnishings and operation .	125.8	126.8	130.7	137.3	140.0
Apparel and upkeep	104.3	107.0	110.5	114.2	116.5
Apparel commodities	102.4	104.3	107.8	111.1	113.2
Men's and boys' apparel	123.8	118.6	126.7	131.8	135.8
Women's and girls' apparel	97.1	99.4	98.3	100.5	103.8
Footwear	93.0	98.2	102.5	100.3	98.0
Transportation	123.9	131.1	139.3	147.4	150.5
Private transportation	124.3	130.8	141.0	149.8	152.1
Motor fuel	101.1	108.6	113.2	117.5	121.3
Gasoline	100.7	109.1	115.1	119.6	124.1
Public transportation	119.4	132.7	125.0	128.3	137.1
Medical care	139.3	154.2	171.3	182.6	197.4
Entertainment	124.3	128.4	134.3	136.3	138.3
Other goods and services	146.1	160.4	175.7	189.0	200.1
Personal care	122.1	136.6	144.8	153.3	158.6

Continued on next page.

Table 14.5-- CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U), BY EXPENDITURE CATEGORY AND COMMODITY AND SERVICE GROUP, FOR HONOLULU: ANNUAL AVERAGES, 1989 TO 1993-- Con.

Group	1989	1990	1991	1992	1993
All items	128 7	138.1	148.0	155.1	160.1
Commodities	121.6	128.1	134.9	138.5	141.4
Food and beverages	128.1	137.8	145.9	148.5	152.9
Commodities less food and beverages	116.4	120.2	126.1	130.5	132.1
Nondurables less food and beverages	113.8	120.8	127.4	133.2	136.8
Durables	121.0	119.7	124.4	126.5	124.9
Services	135.2	147.2	159.6	169.9	176.6
Medical care services	139.2	155.3	173.1	183.6	199.1
Special indexes:					
All items less shelter	124.0	131.7	139.6	145.6	150.9
All items less medical care	128.0	137.1	146.6	153.5	158.0
All items less energy	132.7	142.3	152.7	160.2	164.9
Energy	89.2	97.1	100.2	104.6	112.6
Commodities less food	116.8	120.7	127.0	131.4	133.2
Nondurables less food	114.6	121.3	128.6	134.3	138.0
Nondurables	121.7	130.3	137.7	141.6	145.7
Services less rent of shelter 1/	130.2	140.5	150.3	160.9	171.0
Services less medical care	134.5	146.1	158.1	168.3	174.4

^{1/} December 1982=100.

Source: U.S. Bureau of Labor Statistics, CPI Detailed Report (monthly), press releases, and printouts.

Table 14.6-- RELATIVE IMPORTANCE OF COMPONENTS IN THE CONSUMER PRICE INDEX FOR HONOLULU: DECEMBER 1993

[Percent of all items]

Group	CPI-U <u>1</u> /	CPI-W <u>2</u> /
EXPENDITURE CATEGORY		
All items	100.000	100.000
Food and beverages	19.244	20.383
Food	17.800	18.644
Food at home	11.617	11.717
Cereals and bakery products	1.548	1.776
Meats, poultry, fish, and eggs	3.407	3.691
Meats, poultry, and fish	3.179	3.400
Dairy products	.884	.834
Fruits and vegetables	3.195	2.976
Other foods at home	2.582	2.441
Food away from home	6.183	6.927
Alcoholic beverages	1.444	1.738
Housing	43.787	40.815
Shelter	33.258	30.778
Renters' costs	9.719	9.836
Rent, residential	8.242	8.821
Other renters' costs	1.477	1.015
Homeowners' costs	23.284	20.746
Owners' equivalent rent	23.104	20.618
Fuel and other utilities	4.411	4.736
Fuels	2.041	2.158
Fuel oil, coal, and bottled gas	.024	.029
Fuel oil	.002	.005
Other household fuel commodities	.022	.024
Gas (piped) and electricity	2.017	2.129
Electricity	1.864	1.906
Utility (piped) gas	.153	.223
Household furnishings and operation	6.119	5.300
Apparel and upkeep	4.479	4.756
Apparel commodities	4.148	4.409
Men's and boys' apparel	1.190	1.314
Women's and girls' apparel	1.679	1.771
Footwear	.551	.621

Continued on next page.

Table 14.6-- RELATIVE IMPORTANCE OF COMPONENTS IN THE CONSUMER PRICE INDEX FOR HONOLULU: DECEMBER 1993 -- Con.

Group	CPI-U <u>1/</u>	CPI-W <u>2</u> i
EXPENDITURE CATEGORY Con.		
Transportation	16.095	18.149
Private transportation	14.399	16.821
Motor fuel	2.902	3.556
Public transportation	1.696	1.328
Medical care	5.751	5.530
Entertainment	4.023	3.904
Other goods and services	6.622	6.464
Personal care	1.243	1.365
COMMODITY AND SERVICE GROUP		
All items	100.000	100.000
Commodities	40.036	43.441
Food and beverages	19.244	20.383
Commodities less food and beverages	20.792	23.059
Nondurables less food and beverages	13.265	14.673
Durables	7.526	8.385
Services	59.964	56.559
Medical care services	4.761	4.510
Special indexes:		
All items less shelter	66.742	69.222
All items less medical care	94.249	94.470
All items less energy	95.057	94.286
All items less food and energy	77.258	75.641
Energy	4.943	5.714
Commodities less food	22.236	24.797
Nondurables less food	14.710	16.412
Nondurables	32.509	35.056
Services less rent of shelter	27.153	26.117
Services less medical care services	55.203	52,049

^{1/} Consumer price index for all urban consumers.

Source: U.S. Bureau of Labor Statistics, printout.

^{2/} Consumer price index for urban wage earners and clerical workers.

Table 14.7-- EXPENDITURES ON A CHILD FROM BIRTH TO AGE 18: 1992

[In dollars. Data pertain to husband-wife families living in urban areas in the Western States]

	Expenditures on a child		
Income range	18-year total	Annual average	
<32,300	98,580	5,477	
32,300 - 52,200 >52,200	134,190 184,830	7,455 10,268	
	<32,300 32,300 - 52,200	18-year total	

Source: U.S. Department of Agriculture, Family Economics Review, Vol. 6, No. 3, 1993; pp. 34-36.

Table 14.8-- ANNUAL INTERMEDIATE BUDGET FOR A FOUR-PERSON FAMILY ON OAHU: 1971 TO 1992

Year	Dollars	Percent of urban U.S.	Year	Dollars	Percent of urban U.S.
1971 1972 1973 1974 1975 1976 1977 1978 1979 1980	13,108 13,617 14,937 17,019 18,107 19,036 20,883 23,099 25,799 28,488 31,893	119.5 119.0 118.3 118.8 117.0 117.2 122.1 124.0 125.7 123.1 125.5	1982 1983 1984 1985 1986 1987 1988 1989 1990 1991	33,403 33,890 35,484 36,926 38,437 41,790 44,414 47,950 52,139 55,833 58,374	124.5 124.3 124.4 122.7 123.2 126.7 129.2 130.7 134.1 137.7 139.6

Source: U.S. Bureau of Labor Statistics, annual releases for 1971-1981; 1982-1992 estimates by Paul Brewbaker, Economic Department, Bank of Hawaii.

Table 14.9-- ANNUAL INTERMEDIATE BUDGETS, BY ITEM, FOR A FOUR-PERSON FAMILY IN THE UNITED STATES AND ON OAHU: 1981 AND 1992

[Hypothetical budgets for a family of specified characteristics, based on 1972-1973 expenditure patterns as updated by the consumer price index and current tax rates. The 1981 values are official estimates published by the U.S. Bureau of Labor Statistics; the 1992 values are unofficial estimates prepared by the Bank of Hawaii, using comparable assumptions and methodology. Users of these estimates should bear in mind the limitations imposed by the underlying assumptions and methods]

	Urban United States (dollars)		Oahu (dollars)		Oahu as percent of urban U.S.	
Item	1981	1992	1981	1992	1981	1992
Total budget Consumption Food Food at home Food away from home Housing Homeowner shelter costs Renter shelter costs Housefurnishings and operations Transportation Clothing Personal care Medical care Other family consumption 1/	25,409	41,804	31,893	58,374	125.5	139.6
	18,242	29,161	21,530	37,801	118.0	129.6
	5,843	8,530	7,626	12,404	130.5	145.4
	4,866	7,017	6,649	10,883	136.6	155.1
	977	1,512	977	1,521	100.0	100.6
	5,547	8,814	6,493	12,159	117.1	137.9
	4,886	8,106	5,467	10,887	111.9	134.3
	2,732	4,729	3,991	7,764	146.1	164.2
	1,199	1,552	1,395	2,052	116.3	132.2
	2,372	3,221	2,421	3,729	102.1	115.8
	1,333	1,846	1,432	1,731	107.4	93.7
	508	786	590	1,034	116.1	131.6
	1,443	3,310	1,590	3,549	110.2	107.2
	1,196	2,654	1,378	3,196	115.2	120.4
Other lanning consumption _// Other items 2/ Social Security payments Personal income taxes	1,021	1,576	1,137	1,923	113.6	122.0
	1,703	3,425	2,049	4,663	120.3	136.2
	4,443	7,642	7,177	13,987	161.5	183.0

^{1/} Reading, recreation, tobacco products, alcoholic beverages, education, and miscellaneous expenditures.

^{2/} Includes gifts and contributions, life insurance, and occupational expenses.

Source: U.S. Bureau of Labor Statistics, *Autumn 1981 Urban Family Budgets and Comparative Indexes for Selected Urban Areas* (release USDL: 82-139, April 16, 1981); 1992 estimates by Paul H. Brewbaker, Economics Department, Bank of Hawaii, in "Hawaii's Cost of Living in 1990: Urban Four-Person Family Budgets at an Intermediate Standard of Living" (1991), as updated to 1992.

Table 14.10-- COST OF LIVING INDEX FOR HILO: 1990 AND 1991

[Hilo living costs as a percent of average costs in 308 participating urban areas]

	Weight	percent)	Index		
Component	2nd qtr. 1990	4th qtr. 1991 <u>1</u> /	2nd qtr. 1990	4th qtr. 1991 <u>1</u> /	
Composite index	100	100	132.5	136.7	
Grocery items	17	13	140.7	153.5	
Housing	22	28	162.3	172.3	
Utilities	11	9	102.0	101.2	
Transportation	13	10	127.2	136.7	
Health care	7	5	110.7	123.5	
Miscellaneous goods and services	30	35	124.6	117.2	

 $[\]underline{1}$ / Most recent quarter surveyed. Hilo discontinued its participation in this survey after the fourth quarter of 1991.

Source: American Chamber of Commerce Researchers Association (ACCRA), *Cost of Living Index* (quarterly), provided by Institute for Business and Economic Studies, University of Hawaii at Hilo.

Table 4.11-- NONHOUSING FAMILY LIVING COSTS, FOR HONOLULU AND SELECTED OTHER CITIES: 1993

[For a four-person family with an annual income of \$60,000]

City	Dollars	City	Dollars	
Most expensive: New York City Honolulu 1/ Washington, D.C	22,178 20,128 18,469	Least expensive: Corbin, KYSan Antonio, Texas Billings, Mont	15,438 15,462 15,489	
New Haven, Conn Los Angeles	17,981 17,949	Average U.S. city <u>1</u> /	16,690	

^{1/} Honolulu was 20.6 percent above the U.S. average.

Source: Runzheimer International survey, cited in *Honolulu Star-Bulletin*, June 29, 1993, pp. A-1 and A-6.

Table 14.12-- INDEXES OF EXECUTIVE LIVING COSTS IN SELECTED MAJOR CITIES WORLDWIDE: MARCH 1992

[Honolulu = 100]

City	General index	City	General index
Honolulu	100	San Francisco	109
Chicago	111	Seattle	93
Hong Kong	135	Singapore	117
Los Angeles	109	Sydney	117
Manila	75	Taipei	153
New York	124	Tokyo	211

Source: Business International, Business International Cost of Living (London, 1992), report for DBED.

Table 14.13-- COMPARATIVE ANNUAL LIVING COSTS IN HONOLULU AND SELECTED OTHER METROPOLITAN AREAS: 1993

[For a four-person suburban family with a standard of living requiring an income of \$60,000 in the median metropolitan area among the areas studied. Shown separately for the four costliest and two least costly areas]

Rank <u>1</u> /	Metropolitan area	Cost (dollars)	Index	
1	Honolulu, HI	80,715	134.5	
2	Los Angeles, CA	75,975	126.6	
3	New York, NY	74,028	123.4	
4	Washington, DC	71,622	119.4	
	"Standard City, U.S.A."	60,000	100.0	
	Hobbs, NM	52,112	86.9	
	Casper, WY	51,755	86.3	

^{1/} Among reported areas.

Source: Study by Runzheimer International, Rochester, Wis, cited in *Honolulu Star-Bulletin*, Sept. 8, 1993, p. F-1.

Table 14.14-- COST OF LIVING INDEXES AND PAY DIFFERENTIALS FOR FEDERAL EMPLOYEES IN HAWAII RELATIVE TO WASHINGTON, D.C., BY COUNTIES: 1990-1993

City and Co. of Honolulu	Kauai County	Maui County	Hawaii County
120.39	116.08	119.58	104.86
115.00	***		
119.45	114.90	118.31	104.36
114.34			•••
22.5 12.5	17.5 17.5	20.0	15.0
	120.39 115.00 119.45 114.34	120.39 116.08 115.00 119.45 114.90 114.34	of Honolulu County County 120.39 116.08 119.58 115.00 119.45 114.90 118.31 114.34

^{1/} Based on access to military commissary and exchange facilities. "Local retail" refers to Federal employees who purchase goods and services from private retail establishments; "commissary, exchange," to Federal employees who have unlimited access to and who use military commissary and exchange facilities.

Source: U.S. Office of Personnel Management, "Nonforeign Area Cost-of-Living Allowances," *Federal Personnel Manual System,* FPM Letter 591-51 (1990), "Cost-of-Living Allowances and Post Differentials (Nonforeign Areas); Advance Notice of Proposed Rulemaking; Proposed Rule," *Federal Register,* Vol. 56, No. 38, Part II, February 26, 1991, pp. 7902-7986, at pp. 7902-7903; and "Cost-of-Living Allowances and Post Differentials (Nonforeign Areas); Final Rule," *Federal Register,* Vol. 57, No. 237, December 9, 1992, pp. 58123-58124.

^{2/} Washington, D.C., living costs=100. Based on a survey of comparative costs for Federal employees in June-September 1990. Indexes were calculated by two different methods.

^{3/} Authorized allowance rate, expressed as a percentage differential, effective February 15, 1990 and reaffirmed January 8, 1993.