

PART 123—RADIO COMMUNICATION

3. The authority for part 123 continues to read as follows:

Authority: Issued under authority of the President by 22 U.S.C. 3811; EO 12215, 45 FR 36043.

4. The "CHARLIE" paragraph following Paragraph (a) of § 123.4 is revised to read as follows:

§ 123.4 Advance notification required by radio from vessels approaching the Canal.

(a) * * * CHARLIE—Estimated draft upon arrival, and estimated transit draft if scheduled to work cargo or take bunker prior to transiting, in meters, fore and aft, in Tropical Fresh Water.

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Dated: June 27, 1996.

Gilberto Guardia F.,

Administrator, Panama Canal Commission.

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BILLING CODE 3640-04-P

POSTAL SERVICE**39 CFR Parts 5, 7, 10****Board of Governors Bylaws**

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: The Board of Governors of the United States Postal Service has approved amendments to its bylaws. First, the bylaw provisions concerning procedures of committees of the Board has been amended to conform the conditions under which the Government in the Sunshine Act is invoked to the definition of covered "meeting" under that Act. Second, the Board has revised its rules of conduct to delete provisions superseded by the Standards of Ethical Conduct for Employees of the Executive Branch issued by the Office of Government Ethics and by the Postal Service regulations supplemental to the Standards. Conforming changes are made to the remaining ethics provisions.

EFFECTIVE DATE: July 11, 1996.

FOR FURTHER INFORMATION CONTACT: Thomas J. Koerber, (202) 268-4800.

SUPPLEMENTARY INFORMATION:**A. Committee Procedures**

In practice, the Board of Governors has used its committees for a means of in-depth, informal exchange with management on matters of ongoing concern to the Board. It has not considered that sessions of this type are covered by the provisions of the

Government in the Sunshine Act, regarding notice and open meetings. The provisions of that Act apply to "the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations determine or result in the joint conduct or disposition of official agency business" (5 U.S.C. 552b(a)(2)). The Board's bylaw concerning Public Observation (part 7) generally incorporates this language from the Sunshine Act in full (39 CFR 7.1(b)).

Bylaw provisions on committee procedures, in 39 CFR 5.2, currently refer to formal actions by committees—such as recommendations, preliminary decisions, and hearings—in a manner which reaches outside the terms of the Sunshine Act regarding when a committee session will be subject to the Board's Public Observation rules under part 7. Since the Board has intended that the Public Observation rules will apply strictly as provided in the Sunshine Act, some of this bylaw language may be subject to misinterpretation. Accordingly, this language is deleted from 39 CFR 5.2, and conforming changes are made in 39 CFR 7.1(a).

The Board's committees continue to be subject to the Public Observation procedures under part 7, only to the extent that a particular session should constitute a "meeting" within the meaning of the Government in the Sunshine Act, 5 U.S.C. 552b(a)(2), and section 7(b) of the bylaws.

B. Rules of Conduct**Background**

On August 7, 1992, the Office of Government Ethics (OGE) published new Standards of Ethical Conduct for Employees of the Executive Branch (Standards), now codified at 5 CFR part 2635. See 57 FR 35006-35067 (August 7, 1992) as corrected at 57 FR 48557 (October 27, 1992) and 57 FR 52583 (November 4, 1992), with additional grace-period extensions at 59 FR 4779-4780 (February 2, 1994) and 60 FR 6390-6391 (February 2, 1995). The Standards, which became effective February 3, 1993, set uniform ethical conduct standards applicable to all executive branch personnel. The Standards superseded most federal agency regulations promulgated under subparts A, B, and C of former 5 CFR part 735.

On September 11, 1995, the Postal Service, with the concurrence of OGE and pursuant to 5 CFR 2635.105, published regulations applicable to Postal Service employees to supplement

the Standards. See 60 FR 47240-47241, September 11, 1995. The supplemental regulations, to be codified at 5 CFR part 7001, prohibit certain outside employment or activities, and require prior approval for employees to engage in other specified outside employment or activities.

Discussion**I. General**

The principal purpose of the revisions to part 10 is to repeal outdated provisions of the Code of Ethical Conduct for Postal Service Governors (Code), which have been superseded by the new Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR part 2635) and Postal Service regulations supplemental thereto (5 CFR part 7001). The Governors of the Postal Service are special Government employees within the meaning of 18 U.S.C. 202(a). Special Government employees are subject to the Standards of Ethical Conduct for Employees of the Executive Branch, and agency regulations supplemental thereto (5 CFR 2635.102(h)). Therefore, the Governors are subject to the regulations in 5 CFR parts 2635 and 7001.

Some provisions of 39 CFR part 10 are retained in amended form to conform to the Ethics Reform Act of 1989. The retained provisions concern advisory service, restrictions on post-employment activities, and the filing of financial disclosure reports.

II. Revision of the Heading of 39 CFR Part 10

The heading of 39 CFR part 10, "Code of Ethical Conduct for Postal Employees [Appendix]," is being revised to "Rules of Conduct for Postal Service Governors [Appendix]." This revision is intended to make clear that the rules of conduct in 39 CFR part 10, as amended, are not part of the ethical standards contained in 5 CFR part 2635 and regulations supplemental thereto.

III. Repeal of Financial Interest Prohibitions

The provisions of the Code that prohibited the holding of specified financial interests, 39 CFR 10.22(a) through (e), and those provisions of 39 CFR 10.23 that involved compensated outside employment relationships, remained temporarily in effect pursuant to the note following 5 CFR 2635.403(a), as extended at 59 FR 4779-4780, February 2, 1994, and 60 FR 6390-6391, February 2, 1995. The note following 5 CFR 2635.403(a) provides that such prohibitions shall cease to be effective upon the issuance of agency

supplemental regulations. On September 11, 1995, the Postal Service issued supplemental regulations. See 60 FR 47240-47241, September 11, 1995. Therefore, the provisions of 39 CFR part 10 concerning prohibited financial interests or compensated outside employment relationships are superseded and repealed. The supplemental regulations prohibit certain outside employment, and they require prior approval for certain outside employment. The supplemental regulations do not, however, specify financial interests the holding of which is prohibited.

IV. Analysis of Subparts

This amendment will repeal large portions of 39 CFR part 10, and the amended part will contain only four sections. Accordingly, part 10 no longer will be divided into subparts. This amendment will affect the regulations in subparts A through D of 39 CFR part 10 as follows.

Subpart A—Basic Purpose and Applicability

Subpart A included explanations of the applicability of 39 CFR part 10 and general standards of ethical conduct applicable to Postal Service Governors. All sections of subpart A have been superseded by 5 CFR part 2635. Section 10.11 has been renumbered as section 10.1 and revised to explain that, in addition to the rules retained in 39 CFR part 10, Governors are subject to the rules contained in 5 CFR parts 2635 and 7001.

Subpart B—Standards of Conduct

Subpart B contained general standards of conduct, rules concerning prohibited financial interests, rules concerning outside employment, rules concerning the acceptance of gifts, and other rules of conduct applicable to Postal Service Governors. All sections of subpart B are repealed because they have been superseded by 5 CFR parts 2635 and 7001.

Subpart C—Ethical Conduct Advisory Services and Remedial Action

Subpart C included procedures by which Postal Service Governors may obtain advice concerning standards of ethical conduct, and a regulation concerning post-employment restrictions imposed under 18 U.S.C. 207. Regulations concerning advisory services are retained in amended form in revised section 10.2. Under 5 CFR 2635.107, agencies are responsible for providing counseling to their employees with regard to the application of 5 CFR part 2635 and regulations supplemental

thereto. Revised section 10.2 pertains solely to the Postal Service's internal implementation of requirements imposed by OGE regulations, and it is revised to conform to the OGE regulations.

Regulations concerning post-employment restrictions are retained in amended form in a new section 10.3. New section 10.3 notifies Governors that they are subject to the restrictions imposed under 18 U.S.C. 207.

Subpart D—Reports of Employment and Financial Interests

Subpart D included regulations concerning the filing and review of financial disclosure reports. These regulations are retained in amended form in new section 10.4.

As a result of this amendment, 39 CFR Part 10 will be reorganized as follows:

PART 10—RULES OF CONDUCT FOR POSTAL SERVICE GOVERNORS (APPENDIX)

Sec.

- 10.1 Applicability.
- 10.2 Advisory service.
- 10.3 Post-employment activities.
- 10.4 Financial disclosure reports.

List of Subjects

39 CFR Part 5

Administrative practice and procedure, Advisory committees, Organization and functions (Government agencies), Sunshine Act.

39 CFR Part 7

Sunshine Act.

39 CFR Part 10

Conflict of interests.

For the reasons set forth above, 39 CFR Chapter I, Subchapter A, is amended as follows:

PART 5—COMMITTEES (ARTICLE V)

1. The authority citation for part 5 is revised to read as follows:

Authority: 39 U.S.C. 202, 203, 204, 205, 401(2), (10), 1003, 3013.

2. Section 5.2 is revised to read as follows:

§ 5.2 Committee procedure.

Each committee establishes its own rules of procedure, consistent with these bylaws, and meets as provided in its rules. A majority of the members of a committee constitute a quorum.

PART 7—PUBLIC OBSERVATION (ARTICLE VII)

3. The authority citation for part 7 continues to read as follows:

Authority: 39 U.S.C. 401(a), as enacted by Pub. L. 91-375, and 5 U.S.C. 552b (a)-(m) as enacted by Pub. L. 94-409.

4. Section 7.1 is amended by republishing the introductory text and by revising paragraph(a) to read as follows:

§ 7.1 Definitions.

For purposes of §§ 7.2 through 7.8 of these bylaws:

(a) The term *Board* means the Board of Governors, and any subdivision or committee of the Board authorized to take action on behalf of the Board.

* * * * *

PART 10—RULES OF CONDUCT FOR POSTAL SERVICE GOVERNORS (APPENDIX)

5. The authority citation for part 10 is revised to read as follows:

Authority: 39 U.S.C. 401.

6. The heading of part 10 is revised as set forth above.

6a. The table of contents for part 10 is revised to read as follows:

Sec.

- 10.1 Applicability.
- 10.2 Advisory service.
- 10.3 Post-employment activities.
- 10.4 Financial disclosure reports.

7. Subparts A through D headings are removed.

§ 10.11 [Redesignated as § 10.1]

8. Section 10.11 is redesignated as § 10.1 and revised to read as follows:

§ 10.1 Applicability.

This part contains rules of conduct for the members of the Board of Governors of the United States Postal Service. As special employees within the meaning of 18 U.S.C. 202(a), the members of the Board are also subject to the Standards of Ethical Conduct for Employees of the Executive Branch, 5 CFR part 2635, and Postal Service regulations supplemental thereto, 5 CFR part 7001.

§ 10.31 [Redesignated as § 10.2]

9. Section 10.31 is redesignated as § 10.2 and revised to read as follows:

§ 10.2 Advisory service.

(a) The General Counsel is the Ethical Conduct Officer of the Postal Service and the Designated Agency Ethics Official for purposes of the Ethics in Government Act, as amended, and the implementing regulations of the Office of Government Ethics, including 5 CFR part 2638.

(b) A Governor may obtain advice and guidance on questions of conflicts of interest, and may request any ruling provided for by either the Standards of Ethical Conduct for Employees of the Executive Branch, or the Postal Service regulations supplemental thereto, from

the General Counsel or a designated assistant.

(c) If the General Counsel determines that a Governor is engaged in activity which involves a violation of federal statute or regulation, including the ethical conduct regulations contained in 5 CFR parts 2635 and 7001, or conduct which creates the appearance of such a violation, he or she shall bring this to the attention of the Governor or shall notify the Chairman of the Board of Governors, or the Vice Chairman, as appropriate.

10. A new section 10.3 is added to read as follows:

§ 10.3 Post-employment activities.

Governors are subject to the restrictions on the post-employment activities of special Government employees imposed by 18 U.S.C. 207. Guidance concerning post-employment restrictions applicable to Governors may be obtained in accordance with § 10.2(b).

§ 10.12 [Removed]

10a. Section 10.12 is removed.

§ 10.21 [Removed]

11. Section 10.21 is removed.

§ 10.22 [Removed]

12. Section 10.22 is removed.

§ 10.23 [Removed]

13. Section 10.23 is removed.

§ 10.24 [Removed]

14. Section 10.24 is removed.

§ 10.32 [Removed]

15–16. Section 10.32 is removed.

§ 10.41 [Redesignated as § 10.4]

17. Section 10.41 is redesignated as § 10.4, and is amended by revising paragraphs (a) and (e)(2) to read as follows:

§ 10.4 Financial disclosure reports.

(a) *Requirement of submission of reports.* At the time of their nomination, Governors complete a financial disclosure report which, under the practice of the Senate Governmental Affairs Committee, is kept confidential. Because the Director of the Office of Government Ethics has ruled that Governors who do not perform the duties of their office for more than 60 days in any calendar year are not required to file financial disclosure reports that are open to the public, Governors file non-public reports annually, in accordance with this section. A Governor who performs the duties of his or her office for more than 60 days in a particular calendar year is

required to file a public report in accordance with 5 CFR 2634.204(c).

* * * * *

(e) * * *

(2) Confidentiality of reports. Unless a public report is required by this section, the financial disclosure reports filed by Governors shall not be made public.

Stanley F. Mires,

Chief Counsel, Legislative.

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BILLING CODE 7710–12–P

39 CFR Part 20

Implementation of International Package Consignment Service

AGENCY: Postal Service.

ACTION: Amendment to interim rule with request for comments.

SUMMARY: International Package Consignment Service (IPCS) is an international mail service designed for companies sending merchandise to addresses in other countries. The service is currently available to Japan, Canada, and the United Kingdom (U.K.). To use IPCS, a customer is required to mail at least 25,000 packages a year to Japan, at least 25,000 packages a year to Canada, or at least 10,000 packages a year to the U.K. This amendment provides an option for IPCS customers who meet the minimum mailing requirements to any one IPCS country of destination to enter additional packages for delivery in any other IPCS country of destination at reduced volume thresholds, specifically, 5,000 packages per year.

Therefore, an existing IPCS customer who satisfies the minimum volume criteria for one destination country, has linked its information systems with the Postal Service's, and who has established transportation with the Postal Service may send additional packages to other IPCS destination countries by signing a service agreement for that destination country that commits the customer to mail at least 5,000 packages a year to other IPCS destinations of the customer's choosing. Under this option, the customer has greater flexibility to respond more easily to the market conditions in which he is competing for overseas business while allowing the Postal Service to develop a traffic base that contributes to greater economies of scale. The interim implementing regulations have been amended and are set forth below for comment and suggested revision prior to adoption in final form.

DATES: The amended regulations take effect July 11, 1996. Comments must be received on or before July 25, 1996.

ADDRESSES: Written comments should be mailed or delivered to International Package Consignment Service, U.S. Postal Service, 475 L'Enfant Plaza SW, Room EB4400, Washington, DC 20260–6500. Copies of all written comments will be available for public inspection and photocopying at the above address between 9 a.m. and 4 p.m., Monday through Friday, after July 25, 1996.

FOR FURTHER INFORMATION CONTACT: Tim Gribben at the above address. Telephone: (202) 268–3035.

SUPPLEMENTARY INFORMATION: International Package Consignment Service (IPCS) is designed to more closely meet the needs of customers who send merchandise packages from the United States to multiple international addresses by simplifying the process companies use to prepare their packages for mailing and by reducing the costs those companies incur in mailing merchandise to other countries.

IPCS benefits all users of the Postal Service because revenues collected contribute to fixed costs, thereby decreasing the total revenue that the Postal Service needs to recover from other services. At the same time, IPCS makes it easier and more economical for customers in the United States to export their products to international markets.

Once a customer qualifies for IPCS into Japan, Canada, or the U.K. and has started mailing into one of these destination countries, then the minimum volume requirement for entry into any other country is reduced to 5,000 packages a year. To be considered qualified, customers must meet the following criteria: satisfy the minimum volume requirement for an IPCS destination country, have its information systems linked with the Postal Service's, and have transportation in place between the customer and the Postal Service. The customer must still enter into a separate service agreement for each IPCS destination country to which it wants to use IPCS, and designate the Postal Service as their carrier of choice to that IPCS destination country.

Accordingly, the Postal Service hereby amends IPCS to allow qualified customers to satisfy lower minimum volumes when entering into IPCS service agreements to additional destination countries. Although 39 U.S.C. 407 does not require advance notice and opportunity for submission of comments, and the Postal Service is exempted by 39 U.S.C. 410(a) from the