

§ 147.803 BULLWINKLE Platform safety zone

(a) *Description.* The area within 500 meters (1640.4 feet) from each point on the structure's outer edge is a safety zone.

(b) *Regulation.* No vessel may enter or remain in this safety zone except:

- (1) An attending vessel;
- (2) A vessel under 100 feet in length overall not engaged in towing; or
- (3) A vessel authorized by the Commander, Eighth Coast Guard District.

§ 147.805 URSA TENSION LEG Platform safety zone

(a) *Description.* The area within 500 meters (1640.4 feet) from each point on the structure's outer edge is a safety zone.

(b) *Regulation.* No vessel may enter or remain in this safety zone except:

- (1) An attending vessel;
- (2) A vessel under 100 feet in length overall not engaged in towing; or
- (3) A vessel authorized by the Commander, Eighth Coast Guard District.

§ 147.807 WEST DELTA 143 Platform safety zone

(a) *Description.* The area within 500 meters (1640.4 feet) from each point on the structure's outer edge, not to extend into the adjacent Mississippi River Approach Fairway is a safety zone.

(b) *Regulation.* No vessel may enter or remain in this safety zone except:

- (1) An attending vessel;
- (2) A vessel under 100 feet in length overall not engaged in towing; or
- (3) A vessel authorized by the Commander, Eighth Coast Guard District.

§ 147.809 MARS TENSION LEG Platform safety zone

(a) *Description.* The area within 500 meters (1640.4 feet) from each point on the structure's outer edge and the area within 500 meters (1640.4 feet) of each of the supply boat mooring buoys is a safety zone.

(b) *Regulation.* No vessel may enter or remain in this safety zone except:

- (1) An attending vessel;
- (2) A vessel under 100 feet in length overall not engaged in towing; or
- (3) A vessel authorized by the Commander, Eighth Coast Guard District.

§ 147.811 RAM-POWELL TENSION LEG Platform safety zone

(a) *Description.* The area within 500 meters (1640.4 feet) from each point on the structure's outer edge and the area within 500 meters (1640.4 feet) of each of the supply boat mooring buoys is a safety zone.

(b) *Regulation.* No vessel may enter or remain in this safety zone except:

- (1) An attending vessel;
- (2) A vessel under 100 feet in length overall not engaged in towing; or
- (3) A vessel authorized by the Commander, Eighth Coast Guard District.

§ 147.813 AUGER TENSION LEG Platform safety zone

(a) *Description.* The area within 500 meters (1640.4 feet) from each point on the structure's outer edge and an area within 500 meters (1640.4 feet) of each of the supply boat mooring buoys is a safety zone.

(b) *Regulation.* No vessel may enter or remain in this safety zone except:

- (1) An attending vessel;
- (2) A vessel under 100 feet in length overall not engaged in towing or fishing; or
- (3) A vessel authorized by the Commander, Eighth Coast Guard District.

Dated: November 12, 1999.

Paul J. Pluta,

Rear Admiral, U.S. Coast Guard, Commander, Eighth Coast Guard District.

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POSTAL RATE COMMISSION**39 CFR Part 3001**

[Docket No. IM2000-1; Order No. 1270]

International Mail Report

AGENCY: Postal Rate Commission.

ACTION: Notice of proposed international mail rulemaking.

SUMMARY: This document announces a new docket to develop permanent rules related to the analysis of cost, revenue and volume data generated by the Postal Service's various international mail services. It also reviews responses to previous orders on this issue, sets forth a proposed rule, and invites public comment. Adoption of permanent rules will assist the Commission in preparing annual reports to Congress, as required by law.

DATES: Submit initial comments on or before December 27, 1999. Submit reply comments on or before January 10, 2000.

ADDRESSES: Send comments to Margaret P. Crenshaw, Secretary, Postal Rate Commission, 1333 H St. NW., Suite 300, Washington, DC 20268-0001.

FOR MORE INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, 1333 H St. NW., Washington, DC 20268-0001 at 202-789-6820.

SUPPLEMENTARY INFORMATION:**Regulatory History**

On January 26, 1999, Commission Order No. 1226 in Docket No. IM99-1 was published in the **Federal Register** (64 FR 3991). Comments received in response to that order are discussed in the preamble. On June 30, 1999, the Commission issued its initial annual report to the Congress on international mail costs, revenues, and volumes. That report, and a series of orders related to its issuance, are also discussed in the preamble.

Background

On October 21, 1998, Public Law 105-277 was signed into law, adding section 3663 to the Postal Reorganization Act [39 U.S.C. 3663]. It requires that by July 1 of each year, the Commission "transmit to each House of Congress a comprehensive report of the costs, revenues, and volumes" accrued by the Postal Service "in connection with mail matter conveyed between the United States and other countries" for the prior fiscal year. To enable the Commission to carry out that directive, section 3663 requires the Postal Service to provide, by March 15, "such data as the Commission may require" to prepare that report. It states that the data provided "shall be in sufficient detail to enable the Commission to analyze the costs, revenues, and volumes for each international mail product or service, under the methods determined appropriate by the Commission for analysis of rates for domestic mail."

Initial United Parcel Service Petition for Rulemaking

On December 16, 1998, United Parcel Service (UPS) asked the Commission to institute a rulemaking in order to determine "(1) the data to be provided to the Commission by the United States Postal Service and (2) the methods to be used by the Commission in analyzing the costs, revenues, and volumes of each international mail product" to prepare the report required by section 3663. Petition of UPS to Institute Rulemaking Proceeding to Study International Costs and Revenues, filed December 16, 1998, at 3.

In support of its petition, UPS asserted that it has a vital interest in ensuring that the Postal Service's international products with which it competes are not subsidized by other Postal Service offerings. It observed that analyzing the costs, volumes, and revenues of international mail is a new responsibility for the Commission, and argued that in deciding what data and what methods to use, the Commission is

likely to benefit from the input of interests affected by international mail.

Commission Response

The Commission declined to institute the rulemaking that UPS requested, concluding that there was too little time to complete traditional rulemaking procedures before the March 15 deadline specified in the statute for obtaining international mail data from the Postal Service. The Commission observed, however, that section 3663 contemplates an ongoing responsibility of the Commission to analyze international mail costs and revenues, and, therefore, it may be appropriate to adopt permanent rules concerning data that the Postal Service should provide to enable the Commission to carry out this responsibility. *See* order no. 1226 at 2.

In order no. 1226, the Commission informally solicited comments from the public concerning what data the Postal Service should provide to enable the Commission to prepare the report required by section 3663, and what level of detail would be appropriate for reporting the costs, revenues, and volumes of international mail services. *Id.* at 3. The order concluded that the data on which the report is based should consist, at a minimum, of the International Cost and Revenue Analysis (ICRA), and the international equivalent of the Cost Segments and Components (CSC) report that is provided for domestic mail. *Id.* at 3. The Commission included in this order a proposed list of some 20 outbound and three inbound international postal services for which financial data would be separately analyzed and reported.

Summary of Comments

The comments received reflected a wide range of views. The Advertising Mail Marketing Association (AMMA) argued that international rates are not neatly aligned with economic costs and demand and, therefore, analyzing the cost coverages of individual international services serves little purpose. AMMA contended that international rate groups are often misaligned with economic costs because UPU classifications are overbroad, and terminal dues and other charges set by international agreement have arbitrary elements. AMMA Comments at 1–2 (January 29, 1999). AMMA argued that financial data for individual outbound services cannot be meaningfully combined with data for related inbound services. *Id.* at 3. It also argued that there is no non-arbitrary way to disaggregate transportation costs or terminal dues to the rate category level for outbound services. *Id.* at 4. Because

the costs, revenues, and volumes of international mail can be meaningfully analyzed only in the aggregate, AMMA contended, that is all section 3663 requires. AMMA argued that no new data are needed to perform such an analysis.

UPS. UPS argued that the purpose of section 3663 is to assure the Postal Service's competitors and the public that the Postal Service's international mail services are covering their costs and making a reasonable contribution to overhead. To accomplish that purpose, it argued, the Postal Service should do the following: describe its international costing systems and methods and provide the relevant handbooks; attribute to each service the costs of accounting, advertising, electronic customs clearance, and private delivery contractors (UPS Comments at 4 (January 29, 1999)); disaggregate financial data to the rate category level for services that have relatively large volumes or face intense competition, such as IPAS and Global Priority Mail (*id.* at 2–3); and provide financial data for individual services for outbound and inbound flows combined, by country pair (*id.* at 5).

Federal Express (FedEx) argued that the costs of international mail vary radically by global region and by terminal dues regime, and that the characteristics of mail vary by destination. Therefore, it argued, financial data should be analyzed and reported for the seventy-plus categories of international service to which a separate tariff applies. FedEx Comments at 3 and Appendix A (February 1, 1999). It recognized cost data cannot be reliably disaggregated for some of these categories, but argued that allocations should be made on the basis of pieces and/or weight, in order to evaluate the adequacy of the rate charged. FedEx Reply Comments at 2–3 (February 8, 1999). It argued that, at a minimum, financial data should be separately reported for services to Canada and Mexico. FedEx Comments at 6. FedEx contended that the combined costs of outward and inward mail flows for specific international services must be reported, because terminal dues do not reflect the economic value of inbound delivery. *Id.* at 7–8. It also urged that historical financial data be provided so that any anomalies in the data can be identified. It also urged the Commission to analyze and report all costs that are incurred by international mail as a whole, even if they cannot be attributed to individual services. *Id.* at 9.

Office of the Consumer Advocate (OCA). The comments of the OCA described the regulatory and legislative

background that it believes led to the adoption of section 3663. It cited the fears of the competitors of the Postal Service's international mail services that the Postal Service is subsidizing its international mail services from revenues generated by its monopoly products. The OCA argued that the legislative purpose underlying section 3663 was to allay those fears by making public all financial data relevant to the Postal Service's international mail services. The OCA argued that the Postal Service should be required to provide all of the fiscal year (FY) 1998 financial data generated by its ongoing international mail data collection systems, and, in addition, special information and reports that indicate that there are international mail services that do not cover their costs. These, it said, include the information that the Postal Service furnished to the Postal Service's Inspector General and to the General Accounting Office (GAO) to support their recent investigations of international mail—the Inspector General's report itself and the Postal Service's 1998 marketing plans for international mail. OCA Comments at 7–16 (January 29, 1999).

Postal Service. While it “basically agrees” with AMMA's position, the Postal Service did not oppose many of the recommendations that it provide more detailed data on international mail. Postal Service Comments at 4 (January 29, 1999). The Postal Service argued that Air M-bags, Valuepost/Canada, and Bulk Letter Service to Canada, are minor variants of Air AO, Surface AO, and Air LC, respectively, and therefore should be analyzed and reported as part of those broader services. It observed that financial data about these services are country-specific, and should not be publicly reported for that reason as well. *Id.* at 2–3. It argued that data on post cards, postal cards, and aerograms should be combined because their cost and market characteristics are similar, and their volumes are too low to yield reliable data separately. *Id.* at 4.

The Postal Service noted the parcel companies' argument that cost coverages should be separately analyzed for rate categories within subclasses, such as those within International Priority Airmail (IPA) and Global Priority Mail. It responded that the statistical sample representing IPA and Global Priority Mail is too small to be further separated into its constituent rate categories and still yield reliable results. It asserted that it does not collect costs separately for the rate categories within IPA. *Id.* at 7–8.

Commission response. The Commission considered these comments in formulating its list of initial data requirements in order no. 1228. The Commission concluded that section 3663 appeared to contemplate that international services would be separately analyzed and reported on much the same basis that the Commission uses to analyze costs and cost coverages for domestic mail. Consistent with that conclusion, the Commission asked the Postal Service to describe how it designs rates for its international services, and to provide financial data separately for each international service for which it sets rates by marking up the costs that it separately attributes to that service. Order No. 1228 at 6–7. The Commission tentatively concluded that the arguments for combining outbound with analogous inbound services before analyzing and reporting their attributable costs and cost coverages were not persuasive. *Id.* at 8. The Commission issued a series of six notices of data requirements asking the Postal Service to supplement or clarify its responses to order no. 1228.

Initial Commission Report

The Commission's initial section 3663 report. The Commission issued its first report under section 3663 on June 30, 1999. It was based primarily on information contained in the ICRA and on the supporting information provided in response to order nos. 1228 and 1236. The main body of the report presented costs, volumes, revenues, and cost coverages separately for fourteen outbound services and seven inbound services. For FY 1998 it showed an overall cost coverage for international mail of 112.9 percent, reflecting a cost coverage for outbound international mail of 130.6 percent, and a cost coverage for inbound international mail of 98.2 percent. Within outbound international mail, the cost coverage for air and for surface services was 152.6 and 96.4 percent, respectively. The collective cost coverage for the outbound "initiatives" was 86.8 percent. Appendix E further disaggregated these service-specific costs, volumes, revenues, and cost coverages by terminal dues regime. This had the incidental effect of isolating these data by a geographic region (the European bilaterals) and two countries (Canada and Mexico).

The cost coverages for outbound air services and for international services overall were significantly increased when the Postal Service revised its method of estimating international air costs. The cost coverage for

international mail overall was further increased when the Postal Service eliminated the so-called "settlement difference." The Postal Service submitted its FY 1998 ICRA-USPS version on June 7, 1999 containing these revised cost estimation methods. Because there was not sufficient time for the Commission to fully evaluate these revised methods before its July 1 reporting deadline, the Commission presented financial data based on these revisions in Appendix F.

The Commission's report evaluated the accuracy and reliability of the financial data provided by the Postal Service, and provided estimates of their statistical precision. The Commission concluded that its outbound international volume and revenue data is quite reliable, in part because the Postal Service collects a substantial amount of census data on international mail, and has sample data from multiple collection systems to serve as control numbers. Its inbound volume and revenue is reliable as well, with some possible exceptions noted in the report. The report provides coefficients of variation for the volumes and unit attributable costs of the Postal Service's individual international services. The report concludes that except for several inbound services, statistically significant conclusions about the cost coverages of individual international services can be drawn.

Congressional Request for Additional Information

On August 3, 1999, Representative John McHugh, chairman of the Subcommittee on the Postal Service of the Committee on Government Reform of the U.S. House of Representatives, submitted requests for additional information to the Commission prompted by its first section 3663 report. Among the additional information requested was a revised Appendix E showing combined data for outbound and inbound mail flows by international service. Representative McHugh also requested that the Commission estimate the difference between terminal dues revenue received by the Postal Service for delivering inbound mail and the revenues that the Postal Service would have collected from comparable domestic mail, calculated separately for mail received from Canada, the European bilateral group, and other Universal Postal Union industrialized countries. The Commission provided responses on September 29, 1999.

Public Disclosure

Controversy arose early in the reporting process over the commercial sensitivity of the data that the Postal Service provided on international mail, and whether public disclosure of such data was contemplated by section 3663. The Postal Service accompanied its March 15 submission of the ICRA and supporting materials to the Commission with a cover letter which asserted that most of the materials they contained were commercially sensitive internal documents that, "under good business practice," would not be disclosed. This was a reference to section 410(c)(2) of the Postal Reorganization Act, which provides that the Freedom of Information Act (FOIA) shall not require the Postal Service to disclose "information of a commercial nature, including trade secrets * * * which under good business practice would not be publicly disclosed." The Postal Service argued that it competes with the courier companies in the market for outbound expedited parcels and with foreign postal administrations in the market for bulk outbound letters. It asserted that because this competition is intense, most financial data about individual international services comes under this statutory non-disclosure provision. It noted that section 3663 requires only that the Commission's report be submitted to each house of Congress, and contains no language indicating a requirement that the report be publicly disclosed.

The Postal Service anticipated that the Commission would receive FOIA requests for the international mail data that the Postal Service provided. The Postal Service urged the Commission to process such requests according to Department of Justice guidelines, which recommend that FOIA requests for documents that originated in another agency be referred to the originating agency for processing, or that the originating agency be consulted before releasing such documents.

Shortly after the Postal Service provided its ICRA and supporting materials to the Commission, UPS filed a motion to gain access to them. Motion of UPS to Provide Public Access to International Data Requested in Order No. 1228 and for Opportunity to Provide Public Comment, filed March 26, 1999. Although its motion was not a FOIA request, UPS argued that disclosing international mail data was consistent with the broad national policy favoring disclosure of government records that underlies the FOIA. UPS asserted that the Commission's report would benefit from the input of parties affected by

international mail, and argued that any commercial harm from disclosure could be avoided by imposing appropriate protective conditions. UPS Motion at 2–3.

In reply, the Postal Service noted that section 410(c)(2) of the Act expressly shields commercially sensitive records in its possession from disclosure under the FOIA. It argued that there is nothing in the language of section 3663 to indicate that Congress intended it to override section 410(c)(2), or intended to subject commercially sensitive international mail data to the public hearing requirements that apply to data used to set domestic mail rates. USPS Response to Motion of UPS to Provide Public Access to International Mail Data Requested in Order No. 1228 and for Opportunity to Provide Public Comment, filed April 5, 1999, at 1–6.

The Postal Service asserted that the value of public input would be outweighed by the commercial harm that disclosure of detailed financial data on international mail would cause. Since none of its international services enjoys monopoly protection, it argued, detailed financial information about international mail is more commercially sensitive than comparable information is for domestic mail. It argued that it would be premature to publicly disclose such information before the implications of doing so are explored in rulemaking proceedings. Id at 6–7.

Commercial Sensitivity

The Postal Service identified three kinds of commercial information that it viewed as particularly sensitive. It argued that country-specific costs, volumes, and revenues were sensitive because most of the volume of outbound international mail comes from only a handful of large customers, and the identity of those customers could be inferred from country-specific volume and revenue data. Disclosing country-specific costs, it argued, would allow competitors to know how far the Postal Service could go to match price-cutting by competitors. Comments of the United States Postal Service on the Commission's 39 U.S.C. 3663 Report, filed April 8, 1999, (April 8 Memo) at 3–5.

The Postal Service argued that many of its charges for delivering inbound mail are negotiated with foreign postal administrations, and that disclosing cost data for such inbound delivery would reduce its negotiating room with those administrations. Id. at 4. Finally, it asserted, its so-called international "initiatives" (Global Package Link, Global Priority Mail, Global Parcel Services, Direct Entry/Inbound, and

International Customized Mail) are recently introduced experimental services that are especially sensitive to the pressures of competitors. Disclosing product-specific financial information, it argued, would reveal the vulnerabilities of individual initiatives to its competitors. Id. at 6.

The Commission rejected UPS's motion to make public the data obtained by order No. 1228. The Commission noted that Congress must be presumed to have been aware of the explicit withholding provision of section 410(c)(2) and yet it provided no indication in the language or the legislative history of section 3663 that it intended section 3663 to override that provision. The Commission concluded that section 3663 was not intended to alter existing disclosure law contained in the Postal Reorganization Act or the Administrative Procedure Act. Order No. 1245 at 4.

After the Commission issued its section 3663 report, it received FOIA requests for a copy of the report and the source documents provided by the Postal Service. The Commission asked the Postal Service to indicate which portions of the report it believed should be redacted as commercially sensitive, and to explain the basis for its belief. The Postal Service responded with a memorandum that cited several Federal district court cases which conclude that section 410(c)(2), which authorizes the Postal Service to withhold commercial information that would be withheld "under good business practice," is a specific statutory exemption from the FOIA's mandatory disclosure requirements. USPS Memorandum Concerning Categories of Information that Should be Deleted from Commission Report to Congress on International Mail Costs, Volumes, and Revenues, filed July 21, 1999, at 9–14 (July 21 Memo). For the reasons cited in its April 8 Memo, the Postal Service argued that several categories of information in the Commission's report met the "good business practice" standard of section 410(c)(2). These included costs and cost coverages for individual outbound services, and information from which such costs can be derived; service-specific costs disaggregated by component; costs, revenues, and volumes for individual "initiatives"; costs, revenues, and volumes specific to a country or country group for individual outbound services, and costs for inbound services for which the Postal Service negotiates inbound delivery charges with individual countries, or sets them unilaterally by country group. July 21 Memo at 5–8. The Commission accepted most of the

Postal Service's arguments, and provided those filing FOIA requests with copies of its report that had been redacted in a manner that was largely consistent with those arguments. See, e.g., Letter of Margaret Crenshaw, Secretary, Postal Rate Commission, to John McKeever, Piper and Marbury, dated July 29, 1999.

Challenge to Redacted Report

Piper and Marbury appealed the Commission's decision to provide it with a redacted copy of its section 3663 report, challenging the Commission's interpretation of the cases cited in the Postal Service's July 21 memo. [Piper and Marbury] Appeal on Partial Denial of Freedom of Information Act Request for Report Under 39 U.S.C. 3663, filed August 18, 1999.

The Commission denied Piper and Marbury's appeal, adhering to its interpretation of the relevant case law. See order no. 1261, issued September 15, 1999. Piper and Marbury also had requested a copy of all information supplied by the Postal Service that the Commission used to prepare its section 3663 report. The Postal Service asked the Commission to respond to this request by distinguishing between information in answers developed by the Postal Service in response to Commission questions, and information in records that were developed solely for the Postal Service's internal use.

With respect to information developed to answer Commission questions, the Postal Service identified categories in addition to those already specified in its July 21 Memo that it believed should be withheld under the "good business practice" standard of section 410(c)(2). The additional categories were: product-specific pricing strategy information, detailed product-specific postal operational information, and detailed information on revenue protection procedures. The Postal Service indicated specific redactions of the information developed to answer Commission questions that it believes come under this expanded list of sensitive categories. See Letter of William T. Johnstone, Managing Counsel, International and Ratemaking Law, United States Postal Service, to Margaret P. Crenshaw, Secretary, Postal Rate Commission, dated August 13, 1999.

With respect to records developed solely for the Postal Service's internal use, the Postal Service proposed that the Commission refer that part of the Piper and Marbury request back to the Postal Service for direct processing. The Postal Service argued that this practice is widely followed by Federal government

agencies and is consistent with the FOIA guidelines articulated by the Justice Department's Office of Information Policy (OIP). *Id.* at 2–4. The Commission chose to retain responsibility for processing FOIA requests for such records, but to consult closely with the Postal Service, which is another option that is consistent with the OIP guidelines. The Commission reaffirmed its request that the Postal Service review all of the records that it provided to the Commission as part of the section 3663 reporting process, identify the specific portions that it believed should be redacted, and explain the reasons for its belief. Letter of Margaret P. Crenshaw, Secretary, Postal Rate Commission, to Mary Elcano, General Counsel, United States Postal Service, dated August 24, 1999. The Commission will complete its processing of this part of the Piper and Marbury FOIA request when it receives the Postal Service's response.

Invitation for Comments

Interested persons are invited to comment on the Commission's initial effort to satisfy the requirements of 39 U.S.C. 3663. They may wish to comment, for example, on the adequacy of the information upon which the Commission's first international mail report was based. The Commission has drafted proposed rule 103 [39 CFR 3001.103], set forth below [Attachment A to the Notice]. Proposed rule 103 would add to the Commission's periodic reporting rules a list of items to be included in the Postal Service's data submission that must be filed by March 15 of each year, under section 3663(b). Comments on this proposed rule are invited.

Among the items listed as necessary to satisfy section 3663(b) are the CRA and CSC reports. These reports must be prepared by the Postal Service before it can prepare the ICRA report. The Commission needs them in order to verify the accuracy of various aspects of the ICRA report, including total international mail costs, and the domestic portion of transportation, processing, and delivery costs incurred by international mail services. Under proposed rule 103, if the Postal Service cannot include audited versions of the CRA and CSC reports with the ICRA that it files on March 15 of each year, it must include the unaudited versions that it used to prepare the ICRA.

Currently, the Postal Service has a duty under rule 102(a) to provide the Commission with audited versions of the CRA and CSC "within two of weeks of [their] presentation for use by postal management." The date the Postal

Service has filed these reports has varied, and the audited versions might arrive too late to assist the Commission in preparing the report on international mail required by section 3663, which is due on July 1 of each year. Accordingly, if the Postal Service has not already provided audited versions of the CRA and CSC in response to rule 102(a) by May 15 of a given year, the Postal Service would be required by proposed rule 103 to provide them by that date to allow the Commission sufficient time to reflect them in its section 3663 report.

In addition to commenting on the adequacy of the data that the Postal Service is to provide under section 3663(b), interested persons may wish to comment on the appropriate scope and detail of the Commission's annual international mail report itself. They may wish to comment, for example, on the analytical methods applied by the Commission to calculate the volumes, costs, and revenues of international mail services. Specifically, they may wish to comment on the revisions that the Postal Service made to its methods for calculating the settlement difference and attributable international air transportation costs in its FY 1998 ICRA Report—USPS Version, filed June 7, 1999. In the PRC versions of the FY 1998 ICRA Report, the difference between actual and accrued settlement expenses was treated as an incremental cost to international mail as a whole. The accrued international air transportation costs were used to adjust the imputed attributable international air transportation cost by service to the accrued level. As noted above, the Postal Service eliminated the settlement difference cost, and revised international air costs by service to reflect only the actual payment to airlines in the 1998 ICRA Report—USPS Version. *See* Appendix F of the Commission's report.

The Commission's preliminary view is that it would be appropriate to incorporate these revised methods in the FY 1999 ICRA Report to be filed March 15, 2000, since the accrued expenses do not reflect the actual monies paid out in the year under study. The Commission, however, is interested in the views of others concerning these revised methods. The Commission also invites the Postal Service to review Appendix F of the Commission's report and provide any comments it might have on the accuracy of the Commission's description of its former and revised methods, and provide any additional explanations for the revisions that it might deem appropriate.

As noted above, the Postal Service expressed its belief that it would be helpful to use rulemaking procedures to explore the implications of making commercial information about its international mail services public. Interested persons are invited to comment on the procedures that should be employed to determine which portions of the report or supporting documents should not be publicly disclosed, what criteria or standards should govern that determination, what categories of commercial information meet those standards, and the basis for that belief.

Finally, the Commission invites comments on any other issues that interested persons consider relevant to the Commission's duty to analyze and report on international mail costs, volumes, and revenues under section 3663. All comments received will be available at the Commission docket room, and will be posted on the Commission website (www.prc.gov). Responsive comments also are welcome and should be provided within fifteen days.

Ordering paragraphs. Ordering paragraph No. 1 invites interested persons to comment on the issues described in this notice related to the Commission's duties under 39 U.S.C. 3663 to submit annual reports to Congress on the costs, revenues, and volumes associated with international mail, and on the data and methods on which it should be based within 30 days of the publication of this notice in the **Federal Register**. Ordering paragraph No. 2 invites interested persons to submit reply comments within 15 days after initial comments are due. Ordering paragraph No. 3 directs the Secretary of the Commission to cause this notice of proposed rulemaking to appear in the **Federal Register**.

Dated: November 19, 1999.

Margaret P. Crenshaw,
Secretary.

List of Subjects in 39 CFR Part 3001

Administrative practice and procedure; Postal Service.

For the reasons stated in the preamble, the Postal Rate Commission proposes to amend 39 CFR part 3001 as follows:

PART 3001—RULES OF PRACTICE AND PROCEDURE

1. The authority citation for part 3001 is revised to read as follows:

Authority: 39 U.S.C. 404(b); 3603, 3622–24, 3661, 3662, 3663.

2. Add § 3001.103 to subpart G to read as follows:

§ 3001.103 Filing of reports required by 39 U.S.C. 3663(b).

Each report listed in this section shall be filed with the Secretary of the Commission on or before March 15th of each year, and shall cover the most recent full fiscal year. Information contained in these reports that is considered to be commercially sensitive should be identified as such, and will not be publicly disclosed except as required by applicable law. Specific sources cited in this section should be understood to include any successor or substituted source.

(a) The International Cost and Revenue Analysis—PRC and USPS Versions.

(b) The Cost and Revenue Analysis Report—PRC Version. If an unaudited version is provided on March 15, provide an audited version no later than May 15 that describes all adjustments that affect international mail.

(c) The Cost Segments and Components Report—PRC Version. If an unaudited version is provided on March 15, provide an audited version no later than May 15 that describes all adjustments that affect international mail.

(d) Documentation and workpapers for the ICRA, including those related to:

- (1) Terminal dues.
- (2) Air conveyance dues.
- (3) Transit charges.
- (4) Imbalance charges.
- (5) Inward land charges.

(6) Description of cost allocation procedures.

(7) Identification of costs that are exclusive to international mail.

(8) The cost of joint ventures with other postal administrations.

(9) International billing determinants.

(10) The data for Direct Entry separated between inbound and outbound as in the Postal Service's response to Item 1 of order no. 1246.

(11) The attributable costs for ValuePost/Canada developed in accordance with the procedure described in the Postal Service's response to Item 2 of order no. 1251, or any alternative procedure deemed appropriate as a basis for setting the rates for ValuePost/Canada. Costs for ValuePost/Canada should be separated between publications and all other printed matter. Its revenues and volumes should also be separated between publications and all other printed matter.

(e) Handbooks pertaining to the collection of volume and revenue data (MIDAS, SIRVO, SIRVI, Other) if they

were revised or replaced since they were last submitted.

(f) International CRA manual input, A, B, C, and factor reports on a CD-ROM.

(g) A hard copy of the International CRA manual input and the C report.

(h) Cost Segment 3 CRA Worksheets and all supporting files, including the MODS-Based Costing Studies—PRC Version. Include all databases, SAS and other programs, and output worksheets.

(i) Cost Segment 7 CRA worksheets and all supporting files.

(j) The number of weighted tallies by international service separately for clerks and mailhandlers, and for city delivery carriers in-office; clerk and mailhandler tallies should be further separated for mail processing, window service, and all other.

(k) Coefficients of variation for:

(1) IOCS clerk and mailhandler tallies by mail processing, window service, and all other.

(2) IOCS city delivery carriers in-office.

(3) TRACS for purchased transportation by international, air, railroad, and other.

(4) Outbound volume by international service.

(5) Inbound volume by international service.

(l) The percentage of household mail and the percentage of non-household mail for each outbound mail service.

(m) The percentage of single-piece mail and bulk mail for each outbound service.

[FR Doc. 99-30711 Filed 11-24-99; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[CA 126-0190b; FRL-6477-8]

Approval and Promulgation of State Implementation Plans; California State Implementation Plan Revision, Sacramento Metropolitan Air Quality Management District, Santa Barbara County Air Pollution Control District, Ventura County Air Pollution Control District, and Yolo-Solano County Air Quality Management District

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA proposes to approve revisions to the California State Implementation Plan (SIP) which concern the control of volatile organic

compounds (VOC) from the storage and transfer of gasoline, loading of organic liquids, and fugitive hydrocarbons.

The intended effect of this action is to regulate emissions of VOC in accordance with the requirements of the Clean Air Act, as amended in 1990 (CAA or the Act). In the final rules section of this **Federal Register**, the EPA is approving the state's SIP submittal as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision and anticipates no adverse comments. A detailed rationale for this approval is set forth in the direct final rule. If no adverse comments are received, no further activity is contemplated. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period. Any parties interested in commenting should do so at this time.

DATES: Written comments must be received by December 27, 1999.

ADDRESSES: Comments should be addressed to: Christine Vineyard, Rulemaking Office (AIR-4), Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.

Copies of the rule revisions and EPA's evaluation report of each rule are available for public inspection at EPA's Region 9 office during normal business hours. Copies of the submitted rule revisions are also available for inspection at the following locations:

Rulemaking Office (AIR-4), Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105.

Environmental Protection Agency, Air Docket (6102), 401 "M" Street, SW, Washington, DC 20460.

California Air Resources Board, Stationary Source Division, Rule Evaluation Section, 2020 "L" Street, Sacramento, CA 95812.

Sacramento Metropolitan Air Quality Management District, 777 12th Street 3rd Floor, Sacramento, CA 95814-1908.

Santa Barbara County Air Pollution Control District, 26 Castilian Drive, B-23, Goleta, CA 93301.

Ventura County Air Pollution Control District, 669 County Square Drive, Ventura, CA 93003.

Yolo-Solano Air Quality Management District, 1947 Galileo Ct., Suite 103, Davis, CA 95616.

FOR FURTHER INFORMATION CONTACT: Christine Vineyard, [AIR-4], Air