Compliance With Relevant Law

The Priority Mail large flat-rate box will represent a small percentage of total Priority Mail International (PMI) volume. It, therefore, can have only a limited effect on total contribution, but it is designed to increase contribution by having a price set approximately at the average for similar-weight PMI pieces. It may also increase contribution by increasing total PMI usage. Any potential for contribution loss is partially offset by the imposition of a 20-pound limit. As shown above, the large flat-rate box will easily cover its costs. Therefore, the Priority Mail International large flat-rate box will not raise an issue of subsidization of competitive products by market dominant products (39 U.S.C. § 3633(a)(1)); or undermine the ability of Priority Mail International to cover its attributable costs (39 U.S.C. § 3633(a)(2)); or undermine the ability of competitive products as a whole to comply with 39 U.S.C. § 3633(a)(3), which, as implemented by 39 CFR § 3015.7(c), requires competitive products to contribute a minimum of 5.5 percent to the Postal Service's total institutional costs.

Certification of Governors' Vote in the Governors' Decision No. 08–1

I hereby certify that the following Governors voted by paper ballot on adopting Governors' Decision No. 08–1:

Mickey D. Barnett
James H. Bilbray
Carolyn Lewis Gallagher
Louis J. Giuliano
Alan C. Kessler
Thurgood Marshall, Jr.
James C. Miller III
Katherine C. Tobin
Ellen C. Williams

The vote was 9–0 in favor.

Wendy A. Hocking,
Secretary of the Board of Governors.

[FR Doc. E8–1778 Filed 1–31–08; 8:45 am]

BILLING CODE 7710–12–P

POSTAL SERVICE

Change in Rates of General Applicability for a Competitive Product

AGENCY: Postal Service.

ACTION: Notice of a change in rates of general applicability for a competitive product.

SUMMARY: This notice sets forth changes in rates of general applicability for a competitive product, specifically the establishment of a premium for guaranteed delivery of Express Mail pieces on a Sunday or holiday.

EFFECTIVE DATE: March 3, 2008.

FOR FURTHER INFORMATION CONTACT: Daniel J. Foucheaux, Jr., 202–268–2989.

SUPPLEMENTARY INFORMATION: On January 17, 2008, pursuant to their authority under 39 U.S.C. 3632, the Governors of the Postal Service established a premium for guaranteed Sunday or holiday delivery of Express Mail pieces. The Governors' Decision and the record of proceedings in connection with such decision are reprinted below in accordance with § 3632(b)(2). Implementing regulations are published elsewhere in this issue.

Neva R. Watson,
Attorney, Legislative.

Decision of the Governors of the United States Postal Service on a Premium For Express Mail Pieces Guaranteed for Delivery on a Sunday or Holiday (Governors' Decision No. 08–2)

January 17, 2008

Statement of Explanation and Justification

Pursuant to our authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006, we establish a premium of $12.50 above the current price for delivery of non-manifest Express Mail pieces that are guaranteed for delivery on a Sunday or holiday. We have reviewed the attached analysis provided by management and have evaluated this change in accordance with 39 U.S.C. 3632–3633 and 39 CFR 3015.2, which address changes in rates of general applicability for competitive services.

As indicated in the attached analysis, Express Mail pieces guaranteed for delivery on a Sunday or holiday pay the same price as pieces guaranteed for Monday through Saturday delivery, even though the Postal Service incurs additional costs of $5.50 for such pieces. The Postal Service is the only carrier in the highly competitive express delivery market that offers delivery on Sundays, as well as many holidays. The Postal Service's competitors charge at least $12.50 for items that are guaranteed for delivery on Saturday, a day on which they do not ordinarily provide delivery. The analysis of demand and contribution in the attachment indicates that it is likely a $12.50 premium on non-manifest Express Mail pieces presented for Sunday or holiday delivery will result in a net gain in contribution for both Express Mail service and for competitive products as a whole.

Based on this analysis, we find that this proposal complies with 39 U.S.C. 3633(a): The fee does not raise an issue of subsidization of competitive products by market dominant products (39 U.S.C. 3633(a)(1)); approving it would have no negative effects on the ability of Express Mail to cover its attributable costs (39 U.S.C. 3633(a)(2)); and it would not negatively effect the ability of competitive products as a whole to comply with 39 U.S.C. 3633(a)(3), which, as implemented by 39 CFR 3015.7 (c), requires competitive products to contribute a minimum of 5.5 percent to the Postal Service's total institutional costs. Indeed, the analysis indicates that this change should result in increased contribution for the Express Mail product, and for competitive products as a whole.

Order

Effective March 3, 2008, a premium of $12.50 shall be added to the price of each non-manifest Express Mail piece that is guaranteed for delivery on a Sunday or holiday. We direct the Secretary to have this decision published in the **Federal Register** in accordance with 39 U.S.C. 3632(b)(2). We also direct management to file with the Postal Regulatory Commission appropriate notice of this change.

By the Governors:

James C. Miller III, Chairman

Analysis of the Express Mail Sunday/Holiday Premium

The U.S. Postal Service currently accepts approximately 433,000 Express Mail pieces per year for Sunday or holiday delivery. A Sunday delivery costs the Postal Service $5.50 more than a Monday–Saturday delivery. A premium for Express Mail pieces committed for delivery on Sunday or a holiday is sustainable in the marketplace, and would allow the Postal Service to capture additional value provided by a unique, premium service. A $12.50 premium will be accepted by customers, generate additional contribution for the Postal Service, and provide protection from risk.

Price and Service Advantages in the Marketplace

The Postal Service is the only carrier to offer Sunday delivery, as well as delivery on many holidays. Other carriers impose a surcharge for Saturday delivery. UPS and FedEx currently charge an additional $12.50 for Saturday delivery; DHL charges $15.00. The Express Mail Sunday/Holiday premium would be equal to or less than what competitors charge for Saturday delivery.

The $12.50 charge also represents less of a premium over Monday–Saturday average prices than the surcharge other carriers charge for Saturday delivery. A charge of $12.50 represents a 72 percent premium over the current average Express Mail price, while the same amount adds 81 percent to the average price of an overnight FedEx or UPS parcel.

Rationale for the Premium Amount

$12.50 is a price point at which we can capture substantial contribution without diverting customers away from postal services. Because the premium represents the value of delivering on a non-business day and is equal to or lower than what competitors charge for a similar service, customers will likely accept a charge at this level.

There may be different demand for Sunday delivery than for other days of the week. Although overall Express Mail volume has decreased approximately 12 percent since the May 2007 rate change, volume for Sunday has actually risen more than 10 percent. Given the small volume delivered on Sunday, firm conclusions about elasticity cannot be drawn, yet the increase does suggest that Sunday Express Mail pieces are less price sensitive than the rest of Express Mail.

A $12.50 premium also provides protection in the event that Sunday delivery costs do not decrease quickly in response to a change in volume. Although there is currently a $5.50 cost difference between a Sunday delivery and a Monday–Saturday delivery, a reduction in Sunday deliveries may not result in short-term cost reductions, as staffing plans cannot be changed immediately, and because minimum staffing will need to be maintained. A premium of $12.50 provides additional margin to cover those costs.

Using data from the *FY 2007 Cost and Revenue Analysis*, and elasticities from the Docket No. R2006–1 omnibus rate case, a premium of $12.50 on non-manifest Express Mail pieces guaranteed for Sunday or holiday delivery will likely yield a pro-forma contribution increase between $3.1 million and $3.8 million. This increase results from additional revenue generated by the premium plus net cost savings from pieces that move out of Sunday delivery. Manifest pieces are exempt from the premium because the small number of these pieces does not justify changing the manifest system at this time.

Analysis of Sunday Delivery Demand and Contribution

Applying the system-wide Express Mail own-price elasticity implies a volume loss of slightly less than 250,000 Express Mail pieces; rather than disappear, however, the vast majority of these pieces will move into Express Mail guaranteed for Monday (or day after holiday) delivery or into Priority Mail. Express Mail pieces that move to Monday still increase contribution despite the lack of a premium, because of the extra cost of Sunday delivery. Contribution from pieces that migrate into Priority Mail will decrease only about 78 cents per piece, on average.

There is some risk to these projections. Assuming that 90 percent of the volume lost from Express Mail on Sunday will migrate to Monday delivery (about two-thirds) or Priority Mail (about 23 percent), and therefore stay within the Postal system. It will provide at least some contribution. It is possible, however, that these pieces might either switch to another carrier or disappear altogether (for instance, through electronic diversion of bill payments). To the extent that this possibility is underestimated, the net contribution increase resulting from the premium would be overestimated. If no lost volume migrates to Monday delivery, contribution gain will nonetheless be about half of the estimate, assuming that this Express Mail volume has an own-price elasticity of demand equal to or lower than that of Express Mail as a whole. If that assumption is not valid, contribution gain from the premium will be lower, though the price response would have to be more than twice that of the product as a whole before we would be at risk of a net loss of contribution.

These factors support the conclusion that a $12.50 premium on non-manifest Express Mail presented for Sunday or holiday delivery will result in a net gain in contribution for both Express Mail and for competitive products as a whole.

Compliance With Relevant Law

Because the premium will likely increase contribution for both Express Mail and for competitive products as a whole, this new premium will not raise an issue of subsidization of competitive products by market dominant products, (39 U.S.C. 3633(a)(1)), or have a negative effect on the ability of Express Mail to cover its attributable costs (39 U.S.C. 3633(a)(2)), or for competitive products as a whole to comply with 39 U.S.C. 3633(a)(3), which, as implemented by 39 CFR 3015.7 (c), requires competitive products to cover a minimum of 5.5 percent to the Postal Service's total institutional costs.

Certification of Governors' Vote in the Governors' Decision No. 08–2

I hereby certify that the following Governors voted by paper ballot on adopting Governors' Decision No. 08–2:

Mickey D. Barnett
James H. Bilbray
Carolyn Lewis Gallagher
Louis J. Giuliano
Alan C. Kessler
Thurgood Marshall, Jr.
James C. Miller III
Katherine C. Tobin
Ellen C. Williams
The vote was 9–0 in favor.

Dated: January 17, 2008.

Wendy A. Hocking,

Secretary of the Board of Governors.

[FR Doc. E8–1781 Filed 1–31–08; 8:45 am]

BILLING CODE 7710–12–P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549–0213.

Extension:
Rule 206(4)–4; SEC File No. 270–304; OMB Control No. 3235–0345.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget a request for extension of the previously approved collections of information discussed below.

The title for the collection of information is ''Rule 206(4)–4'' (17 CFR 275.206(4)–4) under the Investment Advisers Act of 1940 (15 U.S.C. 80b–1 *et seq.*). Rule 206(4)–4 requires advisers to disclose certain financial and disciplinary information to clients. The disclosure requirements in rule 206(4)–4 are designed so that a client will have information about an adviser's financial condition and disciplinary events that may be material to an evaluation of the adviser's integrity or ability to meet contractual commitments to clients. Respondents are registered investment advisers with certain disciplinary history or a financial condition that is reasonably likely to affect contractual commitments. We estimate that approximately 1,839 advisers are subject to this rule. The rule requires approximately 7.5 burden hours per year per adviser and amounts to approximately 13,793 total burden hours ($7.5 \times 1{,}839$) for all advisers.

The disclosure requirements of rule 206(4)–4 do not require recordkeeping or record retention. The collection of information requirements under the rule are mandatory. Information subject to the disclosure requirements of rule 206(4)–4 is not submitted to the Commission. Accordingly, the disclosures pursuant to the rules are not kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct general comments regarding the above information to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or e-mail to: *Alexander_T._Hunt@omb.eop.gov*; and (ii) R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, VA 22312; or send an e-mail to: *PRA_Mailbox@sec.gov*. Comments must be submitted to OMB within 30 days of this notice.

Dated: January 28, 2008.

Nancy M. Morris,

Secretary.

[FR Doc. E8–1840 Filed 1–31–08; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549–0213.

Extension:
Rule 17e–1; SEC File No. 270–224; OMB Control No. 3235–0217.