

not charged to government-supplied travel card.

**POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:**

**STORAGE:**

[Change to Read]

Hard copy documents are retained in Post Offices, district and area finance offices, Postal Service Headquarters, imprest fund offices, personnel offices, the St. Louis and San Mateo Accounting Service Centers, and contractor travel and relocation agency offices. Electronic records related to accounts payable transactions, including incoming invoices, government-supplied travel card transactions, and electronic funds transfer and other payment records, are maintained at the San Mateo Computer Operations Service Center (COSC). The electronic databases containing employee travel reimbursement system enrollment, logon ID, and travel expense transaction records are retained at the Eagan COSC.

**RETRIEVABILITY:**

[Change to Read]

Hard copy accounts payable records are retrieved by vendor name (including employees and officers) and identification number within processing location, transaction date, and/or batch number. Electronic records are retrieved by vendor name, identification number, credit card number, financial institution account number, transaction date, and/or batch number.

**SAFEGUARDS:**

[Change to Read]

Hard copy and electronic records within this system are located in buildings with controlled access. Hard copy records are stored in lockable file cabinets. Access to the buildings and to controlled areas within the buildings is restricted through use of guards and authorized badges and/or card keys and limited to persons whose duties require such access. Electronic records are protected with security software and operating system controls, including the use of logon identification codes and password firewalls that prevent unauthorized access to the private Postal Service computer network, and encryption of sensitive data elements. Information that is transmitted electronically between Postal Service facilities or between the Postal Service and external entities is also encrypted. Access is limited by these means to persons whose duties require it.

**RETENTION AND DISPOSAL:**

[Change to Read]

**Note:** In addition to this system of records, certain accounts payable records are duplicated in USPS Privacy Act Systems 010.030, 050.040, 150.030, 160.010, 160.020, 200.020, and 200.030, each of which has relevant retention periods established. See those systems for the retention of the records described therein.

a. Hard copies of accounts payable records, including requisitions, purchase orders, certified invoices, travel expense reports, relocation forms, and related records, are filed alphabetically by vendor name and invoice number (in the Postal Service facility where the payment transaction was processed) within batch number, and/or within accounting period. These records are retained for 3 years from the end of the fiscal year in which the expenses were paid, then shredded.

b. Hard copies of travel reimbursement system enrollment records are filed alphabetically, by employee or officer's last name, by responsible coordinator, within the Postal Service facility where the employee was enrolled into the system. These records are transferred to an inactive file when the employee or officer no longer participates in the electronic travel reimbursement system or separates from the Postal Service. The inactive records are retained until the end of the calendar year, then shredded.

c. Electronic accounts payable payment records are retained online at the San Mateo COSC for 1 year from the end of the fiscal year in which the payment was made; archived for 6 additional years, then destroyed.

d. Electronic travel reimbursement system employee and officer transaction records are retained online at the Eagan COSC for 3 years from the end of the fiscal year in which the reimbursement was claimed; archived for an additional year, then destroyed.

e. Electronic travel reimbursement system employee and officer enrollment and logon ID records are retained online at the Eagan COSC until they are cancelled or superseded, when they are transferred to an inactive file. The inactive records are retained for 3 years from the end of the calendar year in which they became inactive, then destroyed.

**SYSTEM MANAGER(S) AND ADDRESSES:**

Vice President, Controller, Finance, United States Postal Service, 475 L'Enfant Plaza, SW., Washington, DC 20260-5200.

**NOTIFICATION PROCEDURE:**

Individuals wanting to know whether information about them is maintained in this system of records must address

inquiries in writing to the system manager. Inquiries must contain the individual's name and taxpayer identification number (or social security number).

**RECORDS ACCESS PROCEDURES:**

Requests for access must be made in accordance with the Notification Procedures above and the Postal Service Privacy Act regulations regarding access to records and verification of identity under 39 CFR 266.6.

**CONTESTING RECORD PROCEDURES:**

See Notification Procedure and Records Access Procedures above.

**RECORD SOURCE CATEGORIES:**

[Change to Read]

Information in this system is furnished by Postal Service creditors, employees, and officers; Postal Service financial systems; the government travel card vendor; employee-designated financial institutions; and other Federal agencies to which creditors are delinquent indebted. Some information may be duplicated in other Privacy Act systems of records including USPS 010.030, 050.040, 150.030, 160.010, 160.020, 200.020, and 200.030.

**Stanley F. Mires,**

*Chief Counsel, Legislative.*

[FR Doc. 02-20393 Filed 8-9-02; 8:45 am]

**BILLING CODE 7710-12-U**

**POSTAL SERVICE**

**Postal Service Licensing Program**

**ACTION:** Notice.

**SUMMARY:** The Postal Service is publishing notice that it has amended its *Administrative Support Manual* to include policy and information about the Postal Service's licensing policy and program.

**DATES:** The amendments to the *Administrative Support Manual* (ASM) are effective when published in the *Postal Bulletin* (issue 22082) on August 8, 2002.

**ADDRESSES:** Parties interested in reviewing these amendments may find them online at <http://www.usps.com/cpim/ftp/bulletin/pb.htm>.

**FOR FURTHER INFORMATION CONTACT:** Maria Pell, Senior Licensing Specialist, 202-268-6745.

**SUPPLEMENTARY INFORMATION:**

**Discussion of Amendments**

The Postal Service is adding ASM subchapter 66, Licensing, to include the Postal Service's licensing policy and

information about the licensing program. Specifically, we:

- Added ASM section 333.647 to include a reference to the licensing policy in section 333.6, Endorsement of Nonpostal Products, Services, or Business. The reference is to remind employees to refer to and follow the appropriate policy if a company approaches them about manufacturing or distributing merchandise bearing USPS marks.

- Added ASM part 661 to include the responsibilities and authority of the Licensing group.

- Added ASM section 662.1, to describe the requirements of the licensing program as it relates to Postal Service employees making official purchases of merchandise that display a Postal Service trademark, stamp design, or other pictorial or graphic image that the Postal Service owns or uses.

- Added ASM section 662.2 to provide the definition of *officially-licensed merchandise*.

- Included a licensing handbook for Postal Service employees who work in the field [*Licensing: Field Handbook of Frequently Asked Questions (FAQs)*] and a list of the Postal Service's licensees, which will be updated monthly in the Postal Bulletin.

Stanley F. Mires,

Chief Counsel, Legislative.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46318; File No. SR-MSRB-2002-06]

### Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Granting Approval of the Proposed Rule Change Relating to Disclosures in Connection With New Issues

August 6, 2002.

On June 21, 2002, pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change (File No. SR-MSRB-2002-06). The proposed rule change relates to disclosures in connection with new issues.

The Commission published the proposed rule change for comment in

the **Federal Register** on July 3, 2002.<sup>3</sup>

The Commission did not receive comment letters relating to the forgoing proposed rule change. This order approves the Board's proposal.

### I. Description of the Proposed Rule Change

To add greater convenience to customers and cost effectiveness to brokers, dealers and municipal securities dealers, the MSRB has determined to amend Rule G-32, on disclosures in connection with new issues. The proposed rule change amends Rule G-32(a) to reference Rule 154, of the Securities Act of 1933 ("Securities Act"), on householding.<sup>4</sup> The amendments to Rule G-8, on books and records, and Rule G-9, on preservation of records, account for the changes to Rule G-32.

Under the Securities Act's Rule 154, a broker-dealer may satisfy its prospectus delivery requirements with respect to two or more investors sharing the same address by sending a single prospectus to that address, subject to certain conditions.<sup>5</sup> The SEC refers to this process as "householding." In adopting Rule 154, the Commission noted that, as a result of increased ownership of securities by individuals through different accounts (e.g., brokerage accounts, individual retirement accounts and custodial accounts for minors), duplicate copies of disclosure documents often were mailed to a single household.<sup>6</sup> The investors do not have to be related. The document may be addressed to the investors as a group (e.g., "Jane Doe and Household" or "The Smith Family") or to each of the investors individually (e.g., "Jane Doe and John Smith"). The address may be a residential, commercial, or electronic address (i.e., it may be a street address, post office box, fax number, or e-mail address).<sup>7</sup> The purpose of Rule 154 is to reduce the number of duplicate disclosure documents delivered to such investors, thereby resulting in greater convenience for investors and cost savings for broker-dealers and issuers.<sup>8</sup>

<sup>3</sup> See Release No. 34-46124 (June 26, 2002), 67 FR 44656.

<sup>4</sup> Rule 154, on delivery of prospectuses to investors at the same address, permits broker-dealers to satisfy their delivery obligations by sending a single document to two or more investors sharing the same address. 17 CFR 230.154.

<sup>5</sup> The Commission has similar requirements under the Act and the Investment Company Act of 1940 with respect to shareholder reports.

<sup>6</sup> See Release No. 33-7912 (October 27, 2000).

<sup>7</sup> An e-mail address may be used if the dealer obtains the investors' written consent for electronic delivery and it is a shared e-mail address.

<sup>8</sup> *Id.*

The broker-dealer must obtain the investors' written consent to the delivery of a single document on behalf of all such investors, or the broker-dealer may rely on "implied consent" if the following conditions are met: (1) The investor has the same last name as the other investors, or the broker-dealer reasonably believes that they are members of the same family; (2) the dealer sends each investor written notice at least 60 days before relying on this provision, and provides each investor with an opportunity to opt out of this method of delivery;<sup>9</sup> (3) the investor does not opt out during the 60-day notice period; and (4) the dealer delivers the documents to a residential street address or a post office box.<sup>10</sup>

For open-end management investment companies (i.e., mutual funds) and dealers that are required to deliver the disclosure documents of such companies, Rule 154(c) requires, at least annually, that the dealer explain to investors who have provided written or implied consent how such consent can be revoked. This information may be provided through any means reasonably designed to reach the investor, such as a prospectus, shareholder report or newsletter. Unlike other issuers, mutual funds typically send investors updated disclosure materials annually, and the ongoing nature of this relationship dictates that investors be informed of their right to revoke consent and begin receiving individual copies of disclosure documents, if they so desire.

MSRB Rule G-32, on disclosures in connection with new issues, generally requires that any dealer selling municipal securities to a customer during the issue's underwriting period must deliver the official statement in final form, if any, to the customer by settlement of the transaction. The MSRB believes that, with respect to this delivery requirement, if two or more customers share the same address, Rule G-32 should allow for the same "householding" process as that contained in Rule 154. In addition, Rule G-32(a)(i)(A) provides that, if a customer participates in a periodic municipal fund security plan or a non-periodic municipal fund security program and has previously received an official statement in final form in connection with such a plan or program,

<sup>9</sup> The dealer must provide either a toll-free number or a pre-addressed, postage paid form.

<sup>10</sup> Rule 154 provides that a dealer can assume that an address is a residential address unless it has information that indicates it is a business address. If the dealer has reason to believe that the address is a multi-unit dwelling, the address must include the investor's unit number. See Rule 154(b)(4) and (d).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.