

the FAA from issuing another related action or commit the FAA to any course of action in the future.

Regulatory Impact

Since this action only withdraws an NPRM (77 FR 32069, May 31, 2012), it is neither a proposed nor a final rule and therefore is not covered under Executive Order 12866, the Regulatory Flexibility Act, or DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979).

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Withdrawal

Accordingly, we withdraw the NPRM, Docket No. FAA-2012-0495, Directorate Identifier 2011-NM-236-AD, which was published in the **Federal Register** on May 31, 2012 (77 FR 32069).

Issued in Renton, Washington, on October 14, 2012.

John P. Piccola,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2012-26080 Filed 10-22-12; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-140668-07]

RIN 1545-BH16

Regulations Regarding the Application of Section 172(h) Including Consolidated Groups; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking.

SUMMARY: This document contains corrections to a notice of proposed rulemaking (REG-140668-07) that was published in the **Federal Register** on Monday, September 17, 2012 (77 FR 57452). The proposed regulation provides guidance regarding the treatment of corporate equity reduction transactions (CERTs), including the treatment of multiple step plans for the acquisition of stock and CERTs involving members of a consolidated group.

FOR FURTHER INFORMATION CONTACT: Amie Colwell Breslow or Marie C. Milnes-Vasquez at (202) 622-7530 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking (REG-140668-07) that is the subject of these corrections are under sections 172 and 1502 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG-140668-07) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the notice of proposed rulemaking (REG-140668-07), that was the subject of FR Doc. 2012-22838, is corrected as follows:

1. On page 57452, in the preamble, column 1, under the caption **ADDRESSES**, line 10, the language “Service, 1111 Constitution Avenue NW.,” is corrected to read “Service, 1111 Constitution Avenue NW.,”.

2. On page 57453, in the preamble, column 2, under the caption “Background”, line 16 from the bottom of the page, the language “return group; (4) application of these” is corrected to read “group; (4) application of these”.

3. On page 57456, in the preamble, column 3, under the paragraph heading *C. Loss Limitation Years*, line 6 from the bottom of the first paragraph, the language “section 172 and 381 are applied as if the” is corrected to read “sections 172 and 381 are applied as if the”.

§ 1.172(h)-2 [Corrected]

4. On Page 57462, column 1, under the paragraph heading § 1.172(h)-2 *Computation of a CERIL.*, fourth paragraph of the column, line 6, the language “addition, under the principles of section” is corrected to read “addition, under the principles of”.

§ 1.172(h)-4 [Corrected]

5. On Page 57465, column 1, under the paragraph heading § 1.172(h)-4 *Special rules for predecessors and successors.*, second full paragraph of the column, line 13, the language “occurred. See §§ 1.172(h)-5(a) (defining)” is corrected to read “occurred. See § 1.172(h)-5(a) (defining”.

6. On Page 57465, column 3, under the same paragraph heading, line 21 from the top of the column, the language “interest paid or accrued during the 3 year” is corrected to read “interest paid or accrued during the three-year”.

§ 1.1502-72 [Corrected]

7. On page 57471, column 2, under the paragraph heading § 1.1502-72 *Corporate equity reduction*

transactions., lines 10 and 11 from the top of the column, the language “[\$10,000,000 + \$100,000 + 250,000 + 175,000]. See § 1.172(h)-2(b)(3) for rules” is corrected to read “[\$10,000,000 + \$100,000 + \$250,000 + \$175,000]. See § 1.172(h)-2(b)(3) for rules”.

8. On page 57473, column 1, under the same paragraph heading, line 22 of the second paragraph, the language “([\$1,400 + \$1,000 + 1,200]/3). Because T is” is corrected to read “([\$1,400 + \$1,000 + \$1,200]/3). Because T is”.

9. On page 57473, column 1, under the same paragraph heading, line 2 from the bottom of the second paragraph, the language “([\$1,400 + \$1,000 + 1,200 + \$600 + \$200 +)” is corrected to read “([\$1,400 + \$1,000 + \$1,200 + \$600 + \$200 +)”.

10. On page 57475, column 3, under the same paragraph heading, line 11 of the second full paragraph of the column, the language “172(h)(3)(C) § 1.172(h)-1(c)(3) and (f), and” is corrected to read “172(h)(3)(C), § 1.172(h)-1(c)(3) and (f), and”.

Guy Traynor,

Federal Register Liaison, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2012-26001 Filed 10-22-12; 8:45 am]

BILLING CODE 4830-01-P

POSTAL SERVICE

39 CFR Part 20

International Mailing Services: Proposed Product and Price Changes

AGENCY: Postal Service,™

ACTION: Proposed rule.

SUMMARY: In October 2012, the Postal Service filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC), effective on January 27, 2013. The Postal Service proposes to revise various sections of *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM®) to reflect new prices and classification changes.

DATES: We must receive your comments on or before November 23, 2012.

ADDRESSES: Mail or deliver comments to the manager, Product Classification, U.S. Postal Service®, 475 L’Enfant Plaza SW., RM 4446, Washington, DC 20260-5015. You may inspect and photocopy all written comments at USPS® Headquarters Library, 475 L’Enfant Plaza SW., 11th Floor N, Washington DC by appointment only between the hours of 9 a.m. and 4 p.m., Monday

through Friday by calling 1-202-268-2906 in advance. Email comments, containing the name and address of the commenter, may be sent to: MailingStandards@usps.gov, with a subject line of "International Mailing Services Price Change." Faxed comments are not accepted.

FOR FURTHER INFORMATION CONTACT: Rick Klutts at 813-877-0372.

SUPPLEMENTARY INFORMATION: Proposed prices are or will be available under Docket Number R2013-1 on the Postal Regulatory Commission's Web site at www.prc.gov.

This proposed rule includes price and classification changes for First-Class Mail International® and extra services. The proposed rule also reflects price and classification changes that result from the Postal Regulatory Commission granting the Postal Service's request in Docket No. MC2012-44 to transfer First-Class Mail International packages (small packets) and rolls from the market-dominant product list to the competitive product list.

First-Class Mail International

This proposed rule would increase prices for single-piece First-Class Mail International letters, postcards, and flats by approximately 14.0 percent. Specifically, postcards would be increased by 8.7 percent, letters would be increased by 12.8 percent, and flats would be increased by 18.9 percent. First-Class Mail International packages (small packets) and rolls will be transferred from the market dominant product list to the competitive product list and no longer available effective January 27, 2013. The rebranded competitive product will be identified as—"First-Class Package International Service™".

Global Forever Stamp

Building on the success of the domestic USPS Forever® stamp introduced in April, 2007, the Postal Service is proposing to introduce an international Global Forever stamp. Global Forever stamps can be used to mail a 1-ounce letter-size mailpiece anywhere in the world, regardless of when the stamp is purchased and regardless of how prices may change in the future. The Global Forever stamp will ease the transition during price changes, and will always be sold at the price of a single-piece First-Class Mail International 1-ounce machinable letter and have a postage value equivalent to the price of a single-piece First-Class Mail International 1-ounce machinable letter in effect at the time of use (mailing).

For R2013-1, we propose to charge the same price for 1-ounce and 2-ounce letter-size mailpieces to Canada. Consequently, for this price change, the Global Forever may also be used to mail a 2-ounce letter-size mailpiece to Canada.

To help distinguish between the domestic and international forever stamps, the international version will always be round and will always bear the words "Global Forever". The initial offering of the Global Forever stamp will feature a picture of a globe. Finally, as with the domestic Forever stamp, mailers would have the flexibility to use these stamps as postage for any type of single-piece international or domestic mailpiece.

International Extra Services

The Postal Service proposes to increase prices for market dominant extra services by approximately 11.3 percent, for the following:

- Certificate of Mailing (4.4%)
- Registered Mail™ (10.2%)
- Return Receipt (48.9%)
- International Business Reply Service (16.7%)

Certificate of Mailing

The Postal Service proposes to add the flexibility for mailers who pay for postage with a permit imprint, to now pay the fee using the same permit imprint account. Previously, the only option to pay the fee was for mailers to apply ordinary stamps, meter imprints, or PC Postage® imprints to PS Form 3877, *Firm Mailing Book for Accountable Mail*, or Form 3606, *Certificate of Bulk Mailing*.

Restricted Delivery

Due to low quantity demand by customers, the Postal Service proposes to discontinue outbound international restricted delivery service. Currently, restricted delivery is only available on First-Class Mail International items using Registered Mail service. The Postal Service will continue to offer inbound international restricted delivery service.

International Reply Coupons

Due to low quantity demand by customers, the Postal Service proposes to discontinue the sale of international reply coupons. The Postal Service will continue to exchange (redeem) international reply coupons purchased in foreign countries and presented at U.S. Post Office facilities.

The prices and fees proposed in this notice, if adopted, would become effective concurrent with any domestic prices adopted as a result of the current

proceedings before the Postal Regulatory Commission (Docket No. R2013-1). All regulatory changes necessary to implement this proposal are provided below.

Although exempt from the notice and comment requirements of the Administrative Procedure Act [5 U.S.C. 553(b), (c)] regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comment on the following proposed revisions to the *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR Part 20.1.

List of Subjects in 39 CFR Part 20

Foreign relations, International postal services.

Accordingly, 39 CFR Part 20 is proposed to be amended as follows:

PART 20—[AMENDED]

1. The authority citation for 39 CFR Part 20 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 407, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the following sections of the *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM) as follows:

Mailing Standards of the United States Postal Service, International Mail Manual (IMM)

* * * * *

1 International Mail Services

* * * * *

130 Mailability

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134 Valuable Articles

134.1 Service Options

The following services can be used to send the articles noted in 134.2:

[Revise item 134.1a to read as follows:]

a. First-Class Mail International service with Registered Mail service or First-Class Package International service with Registered Mail service.

* * * * *

135 Mailable Dangerous Goods

135.1 Infectious Substances

* * * * *

135.12 Type of Mail

[Revise 135.12 to read as follows:]

Category B infectious substances must be sent using Registered Mail service via:

- a. First-Class Mail International service.
- b. First-Class Package International Service.
- c. Priority Mail International Flat Rate Envelopes.
- d. Priority Mail Small Flat Rate Priced Boxes.

Nonregulated materials defined in DMM 601.10.17.3 and exempt human or animal specimens defined in DMM 601.10.17.2d are mailable by First-Class Mail International service or First-Class Package International Service when properly packaged as described in DMM 601.10.17.

* * * * *

135.3 Packaging, Marking, Labeling

135.31 Category B Infectious Substances

[Revise the first sentence in 135.12 to read as follows:]

A material that is classified as a Category B infectious substance and that meets the definition in DMM 601.10.17.2a2 must be triple-packaged as described in DMM 601.10.17.4, must meet the packaging requirements in 49 CFR 173.199, and must be sent only by First-Class Mail International service, First-Class Package International Service, or Priority Mail International Flat Rate Envelopes or Small Flat Rate Priced Boxes using Registered Mail service.* * *

* * * * *

135.5 Radioactive Materials

Shipments containing radioactive materials are acceptable in international mail subject to the provisions of DMM 601 and of Publication 52, *Hazardous, Restricted, and Perishable Mail*, and under the following conditions:

[Revise item 135.5a to read as follows:]

- a. Shipments may be sent only by First-Class Mail International service, First-Class Package International Service, or Priority Mail International Flat Rate Envelopes or Small Flat Rate Priced Boxes with Registered Mail service.

* * * * *

138 Perishable Matter

138.1 Animals

All live or dead animals are nonmailable, except the following:

* * * * *

[Revise item 138.1c(4) to read as follows:]

- (4) They are sent by First-Class Mail International service, First-Class

Package International Service, or Priority Mail International Flat Rate Envelopes or Small Flat Rate Priced Boxes.

* * * * *

140 International Mail Categories

141 Definitions

141.1 General

[Revise 141.1 to read as follows:]

There are five principal categories of international mail that are primarily differentiated from one another by speed of service. They are Global Express Guaranteed® (GXG®) service, Express Mail International® service, Priority Mail International® service, First-Class Mail International® service, and First-Class Package International Service™.

* * * * *

141.4 Priority Mail International

[Revise the second sentence of 141.4 to read as follows:]

* * * This classification is primarily designed to accommodate larger and heavier shipments whose size and/or weight exceeds the limits for First-Class Mail International, or First-Class Package International Service.* * *

* * * * *

141.5 First-Class Mail International

[Revise 141.5 in its entirety to read as follows (this revision also deletes the "Note"):]

First-Class Mail International is a generic term for mailpieces that are letter-size or flat-size that weigh 4 pounds or less, and that have a value that is \$400 or less. First-Class Mail International items may contain any letter-size or flat-size mailable matter that is not prohibited by the destination country. Aerogrammes are no longer available for purchase. Previously purchased aerogrammes are mailable at the applicable First-Class Mail International letter-size price. At the sender's option, extra services, such as Registered Mail and return receipt, may be added on a country-specific basis.

142 Official Mail

* * * * *

142.4 General Secretariat of the Organization of American States (OAS)

[Add an introduction to 142.4 and revise items a and b to read as follows:]

The following standards apply when mail is sent as OAS General Secretariat official mail:

- a. Unregistered First-Class Mail International and First-Class Package International Service items bearing the return address of the OAS General

Secretariat and weighing not more than 4 pounds are accepted without postage when addressed to the OAS member countries listed in 142.4c.

- b. Items sent other than First-Class Mail International or First-Class Package International Service with extra services may not be provided for OAS General Secretariat official mail without the prepayment of postage or the fee for the extra service requested.

* * * * *

142.5 Pan American Sanitary Bureau Mail

[Revise 142.5 in its entirety to read as follows:]

The following standards apply when mail is sent as OAS General Secretariat official mail:

- a. Unregistered First-Class Mail International and First-Class Package International Service items bearing the return address of the Pan American Sanitary Bureau and weighing not more than 4 pounds are accepted without postage affixed when addressed to an OAS member country listed in 142.4c or to Cuba.

- b. Items with the Pan American Sanitary Bureau return address that are sent other than First-Class Mail International or First-Class Package International Service, or that request extra services must prepay all postage and fees.

150 Postage

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152 Payment Methods

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152.3 Stamps

152.31 Types of Stamps

[As explained in an upcoming revision article, and to be effective November 5, 2012 (which is before these revisions on mailing services will be effective), we will switch the order of sections 152.2 and 152.3 (so that "Stamps" will be the title of 152.3) and will revise the renumbered 152.3. Then, effective January 27, 2013, we will revise the renumbered 152.31 and revise item d and insert a new item e to read as follows:]

The following types of stamps may be used to pay for postage and fees for extra services listed under chapter 3 for all single-piece international mail transactions:

* * * * *

- d. *Forever Stamps (domestic)*: A domestic *Forever* stamp's value is linked to the domestic First-Class Mail single-piece 1-ounce letter price that is in effect on the day of use (mailing)

regardless of when the stamp is purchased and regardless of how prices may change in the future.

e. *Global Forever Stamps*: A *Global Forever* stamp's value is linked to the First-Class Mail International single-piece 1-ounce machinable letter price that is in effect on the day of use (mailing). *Global Forever Stamps* can be used to mail a 1-ounce machinable letter-size mailpiece anywhere in the world, regardless of when the stamp is purchased and regardless of how prices may change in the future. *Global Forever* stamps are round and always bear the words "Global Forever." In addition, mailers may use the *Global Forever* stamp, as postage for any type of single-piece international or domestic mailpiece. Their value (regardless of purchase date) is always equal to the First-Class Mail International single-piece 1-ounce machinable letter price that is in effect on the day of use (mailing).

[Revise 153.32 to read as follows:]

152.32 Additional Postage for Nondenominated Postage Stamps, Forever Stamps or Forever Print-on-Demand Indicias

Since international postage prices are always higher than the comparable domestic postage prices, mailers who affix a single nondenominated postage stamp or a domestic *Forever* stamp to their outbound mailpieces must add additional postage to comply with the international price schedule.

* * * * *

2 Conditions for Mailing

* * * * *

240 First-Class Mail International

241 Description and Physical Characteristics

241.1 General

[Revise 241.1 to read as follows:]

The First-Class Mail International® classification encompasses the categories of international mail that before May 14, 2007, were categorized as airmail letter-post and economy letter-post, postcards, and printed matter.

241.2 Physical Characteristics

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241.23 Physical Standards—Large Envelopes (Flats)

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241.232 Dimensions and Characteristics

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[Revise the "Note" to read as follows:]

Note: The length of a large envelope (flat) is always the longest dimension. The height is the dimension perpendicular to the length. A First-Class Mail International large envelope (flat) that does not meet the standards in 241.23 is not eligible for the large envelope (flat) size price and is charged the applicable First-Class Package International Service (small packet) price.

* * * * *

241.24 Physical Standards—Packages (Small Packets)

[Delete in its entirety section 241.24 titled "Physical Standards—Packages (Small Packets)."]

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242 Eligibility

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242.4 Extra Services

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[Delete in its entirety section 242.44 titled "Restricted Delivery."]

243 Prices and Postage Payment Methods

243.1 Prices

243.11 Prices and Price Application—General

[Revise 243.11 in its entirety to read as follows:]

First-Class Mail International cards, letters, and large envelopes (flats) are charged postage for each addressed piece according to its weight and price group. For prices, see Notice 123, *Price List*.

* * * * *

243.13 Destinating Countries and Price Groups

[Revise 243.13 to read as follows:]

See the Individual Country Listings to determine the country-specific price group for First-Class Mail International. For postage prices, see Notice 123, *Price List*.

[Delete Exhibit 243.13 in its entirety.]

* * * * *

244 Mail Preparation

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[Revise the title to 244.2 to read as follows:]

244.2 Markings

The following markings apply to First-Class Mail International items:

* * * * *

[Delete current item 244.2 b in its entirety and redesignate current item c as the new item b, and revise new item b to read as follows:]

b. First-Class Mail International letters and large envelopes (flats) that qualify as free matter for the blind or physically handicapped must bear the marking "Free Matter for the Blind or Physically Handicapped" in the upper-right corner of the address side of the mailpiece. See 274.2.

244.3 Sealing

[Revise the second sentence of 244.3 to read as follows:]

* * * Mailpieces not sealed by conventional means, such as moistening the gummed flaps on envelopes, must be closed in such a manner as to prevent the contents from falling out or being damaged during postal handling and transport. * * *

244.4 Packaging

[Revise the introductory text of 244.4 to read as follows:]

The following packaging methods may be used for First-Class Mail International letter-size and flat-size items:

* * * * *

[Delete current item 244.4d in its entirety, and redesignate current items e and f, as items d and e.]

* * * * *

270 Free Matter for the Blind or Other Physically Handicapped Persons

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272 Postage Prices

Postage is free for the following eligible items marked "Free Matter for the Blind or Physically Handicapped":

[Revise item 272a and b and insert new items c and d to read as follows:]

a. A First-Class Mail International item.

b. The Priority Mail International Flat Rate Envelopes.

c. The Priority Mail Small Flat Rate Priced Boxes.

d. A Priority Mail International parcel weighing up to 15 pounds.

* * * * *

273 Weight and Size Limits

273.1 Weight Limit

[Revise the first paragraph of 273.1 to read as follows:]

For First-Class Mail International or First-Class Package International Service items, or the Priority Mail International Flat Rate Envelopes and Small Flat Rate Priced Boxes, the weight limit is 4 pounds.

* * * * *

273.2 Size Limits

[Revise 273.2 in its entirety to read as follows:]

For First-Class Mail International items, see 241.2. For First-Class Package International Service items, see 251.2. For Priority Mail International parcels, see 231.2.

274 Mail Preparation

* * * * *

274.2 Marking

[Revise 274.2 in its entirety to read as follows:]

In addition to the markings required in 244.2 for First-Class Mail International items, in 254.2 for First-Class Package International Service items and in 234.2 for Priority Mail International parcels, free matter must be marked "Free Matter for the Blind or Handicapped" in the upper right-hand corner of the address side of the mailpiece.

* * * * *

275 Extra Services

* * * Only the following extra services are authorized: [Revise item 275a to read as follows:]

* * * * *

a. Registered Mail service for First-Class Mail International items, First-Class Package International Service items, and Priority Mail International Flat Rate Envelopes or Small Flat Rate Priced Boxes.

* * * * *

3 Extra Services

310 Certificate of Mailing

311 Individual Pieces

* * * * *

311.2 Availability

311.21 At Time of Purchase

A customer may purchase a certificate of mailing (individual pieces) when sending the following:

* * * * *

[Insert new item 311.21c and redesignate current items c through f as items d through g.]

c. Unregistered for First-Class Package International Service items.

* * * * *

311.3 Fees

* * * * *

311.32 Three or More Individual Pieces

[Revise 311.32 to read as follows:]

When mailing three or more pieces, the mailer may optionally use PS Form 3877. In addition to the correct postage, the mailer must pay the certificate of mailing fee for each article on PS Form

3877 by affixing ordinary (uncanceled) stamps, meter imprints, or PC Postage imprints to the PS Form 3877. Mailers paying for the postage with a permit imprint may also pay the fee at the time of mailing using the same permit imprint account. For a separate fee, the mailer may request a duplicate copy of PS Form 3877 after mailing (see 311.22). See Notice 123, Price List.

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312 Bulk Quantities—Certificate of Mailing

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312.2 Availability

312.21 At Time of Entry

A customer may purchase a certificate of bulk mailing when sending the following identical-weight items:

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[Insert new item 312.21c and redesignate current items c through f as d through g.]

c. Unregistered for First-Class Package International Service items.

* * * * *

312.3 Fees

[Revise 312.3 to read as follows:]

In addition to the correct postage, the applicable certificate of bulk mailing fee must be paid for mailings of identical-weight pieces reported on PS Form 3606. The mailer may pay the fee by ordinary (uncanceled) stamps, meter imprints, or PC Postage imprints by affixing them to the form. Mailers paying for the postage with a permit imprint also may pay the fee, at the time of mailing, with the same permit imprint account. For a separate fee, the mailer may request a duplicate copy of PS Form 3606 after mailing (see 312.22). See Notice 123, Price List, for all applicable fees.

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330 Registered Mail

* * * * *

332 Availability

* * * Registered Mail service is available for the following types of mail:

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[Add new item d to read as follows:] d. First-Class Package International Service items, including free matter for the blind items.

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334 Processing Requests

334.1 Mailing Receipt and Registration Number

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334.13 Accepting Clerk's Responsibility

The accepting clerk must:

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[Revise item 334.13d. to read as follows:]

d. Enter the registration fee and postage plus the return receipt fee, if applicable, on the receipt.

* * * * *

[Revise the title and text of 334.5 to read as follows:]

334.5 Return Receipt

Return receipts can be purchased for Registered Mail items to most countries. (See 340 and 350 and Individual Country Listings.)

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350 Restricted Delivery

[Revise 350 in its entirety to read as follows (this replaces all the current text from 351 through 354.2):]

Restricted delivery service is no longer available and was discontinued effective January 27, 2013. It was limited to First-Class Mail International items, the Priority Mail International Flat Rate Envelopes and the Small Flat Rate Priced Boxes when used in conjunction with Registered Mail service.

[Delete 351 through 354.2 in their entirety.]

* * * * *

380 Supplemental Services

381 International Reply Coupons

[Revise 381 in its entirety to read as follows:]

381.1 Description

As of January 27, 2013, the U.S. Postal Service no longer sells international reply coupons. However, coupons previously sold by the U.S. Postal Service can still be used or exchanged (see 381.2). The following standards apply to international reply coupons:

a. The sender of a letter may prepay a reply by purchasing reply coupons that are sold and exchangeable for postage stamps by participating postal administrations in member countries of the Universal Postal Union.

b. International reply coupons (in French, Coupons-Reponse Internationaux) are printed in blue ink on paper that has the letters "UPU" in large characters in the watermark. The front of each coupon is printed in French. The reverse side of the coupon shows the text relating to its use in German, English, Arabic, Chinese, Spanish, and/or Russian.

381.2 Previously Sold Coupons and Exchange Value

The following standards apply to the exchange of international reply coupons:

a. International reply coupons sold by the United States Postal Service prior to January 27, 2013, are exchangeable in any other member country for a stamp or stamps representing the minimum postage on an unregistered air letter. Unused U.S. coupons (that is, those with the U.S. selling price stamped on them that are not ultimately redeemed by recipients in other countries) may be exchanged only by the original purchaser for United States postage stamps at a discount of 1 cent below the purchase price.

b. With the exceptions noted in 381.3d, international reply coupons purchased in foreign countries are exchangeable at U.S. Post Office facilities toward the purchase of postage stamps and embossed stamped envelopes at the current maximum First-Class Mail International 1-ounce, letter-size price, per coupon, irrespective of the country where they were purchased. See Notice 123, *Price List*.

381.3 Processing Requests

The following standards apply when processing international reply coupons:

a. Under Universal Postal Union's regulations, participating member countries are not required to place a control stamp or postmark on the international reply coupons that they sell. Therefore some foreign issue reply coupons that are tendered for redemption may bear the name of the issuing country (generally in French) rather than the optional control stamp or postmark. Such coupons are exchangeable for U.S. postage as specified in 381.2b.

b. A Post Office facility redeeming an unused U.S. coupon must postmark it in the unpostmarked circle. A Post Office facility exchanging a foreign reply coupon must postmark it. Post Office facilities must not accept foreign coupons that already bear a United States Postal Service postmark.

c. The only valid version of the international reply coupons printed by the Universal Postal Union is Item Number 330800, which is approximately 3.75 inches by 6 inches, has a barcode on the reverse side, and has an expiration date of December 31, 2013. This policy is for international reply coupons issued by the United States before January 27, 2013 as well as for those issued by foreign postal administrations.

d. Reply coupons formerly issued by the Postal Union of the Americas and Spain are no longer valid. These coupons are printed in green ink and bear the caption *Cupon Respuesta America-Espanol*. Customers possessing any of these coupons should return them to their correspondents in the country of issue for redemption through the selling post office.

e. Postmasters must process exchanged foreign and redeemed U.S. international reply coupons as prescribed in 11-6.6, "International Reply Coupons" in Handbook F-101, *Field Accounting Procedures*.

* * * * *

4 Treatment of Outbound Mail

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420 Unpaid and Shortpaid Mail

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423 Shortpaid Mail

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423.2 Disposition

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423.24

[Revise the title of 423.24 to read as follows:]

423.24 First-Class Mail International Items (including Postcards), First-Class Mail Package International Service, Airmail M-Bags, Priority Mail International Flat Rate Envelopes, and Priority Mail International Small Flat Rate Priced Boxes

423.241 Items Paid With a Permit Imprint or USPS-Produced PVI Label

[Revise the text of 423.241 to read as follows:]

Regardless of the amount of deficiency, consider as paid in full each shortpaid First-Class Mail International item (including a postcard), First-Class Package International Service, Airmail M-bag, Priority Mail International Flat Rate Envelope, and Priority Mail International Small Flat Rate Priced Box that is paid with a permit imprint or USPS-produced postage validation imprinter (PVI) label, and dispatch it to the appropriate International Service Center (ISC).

423.242 Items Paid With Any Other Postage Payment Method

[Revise the text of the introduction of 423.242 to read as follows:]

The disposition of a shortpaid First-Class Mail International item (including a postcard), First-Class Package International Service, Airmail M-bag, Priority Mail International Flat Rate Envelope, and Priority Mail

International Small Flat Rate Priced Box that is paid with a postage payment method other than a permit imprint or USPS-produced PVI label is based on the amount of the deficiency, as follows:

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7 Treatment of Inbound Mail

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770 Undeliverable Mail

771 Mail of Domestic Origin

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[Revise 771.5 in its entirety to read as follows:]

771.5 Return Charges for Letter-Post Items

771.51 General

Except as noted in 771.52, any undeliverable-as-addressed mail item listed below that a foreign postal administration returns to the U.S. sender is not subject to the payment of return charges. This provision applies to postal items that were originally entered at the following rates of postage:

a. Priority Mail International Flat Rate Envelope.

b. Priority Mail International Small Flat Rate Priced Box.

c. First-Class Mail International (including postcards).

d. First-Class Package International Service.

e. Airmail M-bag.

f. International Priority Airmail (IPA), including M-bags.

g. International Surface Air Lift (ISAL), including M-bags.

771.52 Exceptions

Delivery Post Office facilities should collect return charges from the U.S. sender under the following circumstances:

a. If a returned letter-post item listed in 771.51 bears a short-paid endorsement that was originally applied by the Postal Service dispatching exchange office, the delivery office should collect the amount of the postage deficiency that would otherwise have been collected from the foreign addressee.

b. If a returned letter-post item listed in 771.51 bears a collection instruction that was applied by an International Service Center (ISC), international exchange office, or mail recovery center, the delivery office should collect the "due amount" that is specified on the mailpiece.

* * * * *

780 Items Mailed Abroad by or on Behalf of Senders in the United States

781 Payment Required

* * * * *

781.2 Handling Charges

[Revise 781.2 to read as follows:]
 Undeliverable-as-addressed mail returned to the sender for which outbound postage was not paid to the U.S. Postal Service is subject to the payment of handling charges. On delivery to the sender, the sender may be charged the applicable First-Class Mail International or First-Class Package International Service price for the weight and shape of the returned piece.

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9 Inquiries, Indemnities, and Refunds

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920 Inquiries and Claims

921 Inquiries

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921.2 Initiating an Inquiry

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Exhibit 921.2 Time Limits for Inquiries

[Revise the “Note” in Exhibit 921.2 to read as follows:]

Note: Inquiries are not accepted for First-Class Mail International items, First-Class Package International Service items, Priority Mail International Flat Rate Envelopes or Small Flat Rate Priced Boxes, or M-bags.

* * * * *

940 Postage Refunds

[Revise the title of 941 to read as follows:]

941 Postage Refunds for First-Class Mail International, First-Class Package International Service, and Priority Mail International

941.1 General

[Revise 941.1 to read as follows:]

A refund may be made when postage, extra service fees, or other charges have been paid on the following First-Class Mail International, First-Class Package International Service, or Priority Mail International items:

a. Items for which full service was not rendered.

b. Items that were paid in excess of the proper price.

* * * * *

Country Price Groups and Weight Limits

[Revise the text to read as follows:]
 Listed below are the countries and their price groups and weight limits for the five principal categories of international mail. Complete tables of prices and weights appear in the Individual Country Listings (ICLs).

* * * * *

[Revise footnote 2 to read as follows:]

2. First-Class Mail International maximum weights: Letters, 3.5 ozs.; Large Envelopes (flats), 4 lbs. Note that the heading in the maximum weight column lists both ounces and pounds (“ozs./lbs.”) and that there are two numbers in the entry for each country (“3.5/4”)—this indicates that the maximum weight for Letters is 3.5 ozs., and that the maximum weight for Large Envelopes (flats) is 4 lbs. For First-Class Package International Service, maximum weight is 4 lbs.

* * * * *

[Revise footnote 5 to read as follows:]

5. Korea, Democratic People’s Republic of (North Korea): First-Class Package International Service is not available. In addition, Priority Mail International parcel services are not available, including the Small Flat Rate Priced Boxes. Priority Mail International Flat Rate Envelopes (maximum weight: 4 lbs.) may be used. Regardless of mail class, dutiable items and merchandise are prohibited.

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[In the table, revise the heading for “First-Class Mail International” to read as “First-Class Mail International and First-Class Package International Service”]

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Individual Country Listings

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First-Class Mail International (240)

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[For each country that offers First-Class Mail International service, revise the introductory text to read as follows, however, retain the country’s current Price Group designation.]:

For the prices and maximum weights for letters, large envelopes (flats) and postcards, see Notice 123, *Price List*.

Size Limits

[For each country that offers First-Class Mail International service, revise the text to read as follows:]

Letters: See 241.212

Postcards: See 241.221

Large Envelopes (Flats): See 241.232

* * * * *

Matter for the Blind (270)

[For each country that offers Matter for the Blind, revise the first paragraph to read as follows:]

Free when sent as First-Class Mail International or First-Class Package International Service, or in Priority Mail International Flat Rate Envelopes or the Small Flat Rate Priced Boxes. Weight limit: 4 pounds.

Extra Services

Certificate of Mailing (313)

[For each country that offers certificate of mailing service, revise the fees to read as follows:]

Individual Pieces	Fee
Individual article (PS Form 3817)	\$1.20
Firm mailing books (PS Form 3877), per article listed (minimum 3)	0.44
Duplicate copy of PS Form 3817 or PS Form 3877 (per page)	1.20
Bulk Quantities	Fee
First 1,000 pieces (or fraction thereof)	\$7.05
Each additional 1,000 pieces (or fraction thereof)	0.85
Duplicate copy of PS Form 3606	1.20

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International Business Reply Service (382)

[For each country that offers International Business Reply service, revise the fees to read as follows:]

Fee: Envelopes up to 2 ounces \$1.75; Cards \$1.25

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International Reply Coupons (381)

[For each country revise the text to read as follows:]

Discontinued January 27, 2013

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Registered Mail (330)

[For each country that offers international Registered Mail service, revise the fee to read as follows:]

Fee: \$12.95

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Restricted Delivery (350)

[For each country revise the text to read as follows:]

Discontinued January 27, 2013

Return Receipt (340)

[For each country that offers international return receipt service, revise the fee to read as follows:]

Fee: \$3.50

* * * * *

We will publish an appropriate amendment to 39 CFR Part 20 to reflect these changes if our proposal is adopted.

Stanley F. Mires,

Attorney, Legal Policy & Legislative Advice.

[FR Doc. 2012-25992 Filed 10-22-12; 8:45 am]

BILLING CODE 7710-12-P

POSTAL SERVICE**39 CFR Part 111****New Mailing Standards for Domestic Mailing Services Products**

AGENCY: Postal Service™.

ACTION: Proposed rule.

SUMMARY: In October 2012, the Postal Service filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC), effective in January 2013. This proposed rule contains the revisions to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) that we would adopt to implement the changes coincident with the price adjustments.

DATES: We must receive comments on or before November 23, 2012.

ADDRESSES: Mail or deliver written comments to the manager, Product Classification, U.S. Postal Service,® 475 L'Enfant Plaza SW., Room 4446, Washington, DC, 20260-5015. You may inspect and photocopy all written comments at USPS® Headquarters Library, 475 L'Enfant Plaza SW., 11th Floor N, Washington DC by appointment only between the hours of 9 a.m. and 4 p.m., Monday through Friday by calling 1-202-268-2906 in advance. Email comments, containing the name and address of the commenter, may be sent to: MailingStandards@usps.gov, with a subject line of "January 2013 Domestic Mailing Services Proposal." Faxed comments are not accepted.

FOR FURTHER INFORMATION CONTACT: Bill Chatfield, 202-268-7278.

SUPPLEMENTARY INFORMATION: Proposed prices will be available under Docket Number R2013-1 on the Postal Regulatory Commission's Web site at www.prc.gov.

The Postal Service's proposed rule includes several mail classification changes, modifications to mailpiece characteristics, and changes in classification terminology.

Proposed Change for Letters*Commercial First-Class Mail® Letters*

The pricing structure for presorted and automation First-Class Mail letters would retain the change implemented in 2012 for the minimum postage charge to be that for a 2-ounce letter, and would extend the concept to residual single-piece letters that are part of the same mailing job and presented at the same time as the presorted or automation mailing. There would be a new price for residual letters up to 2 ounces, which would be different than the price for single-piece letters presented as a stand-alone mailing.

Standard Mail® Letters

We propose to add a new price tier for high density letters. In addition to the current high density tier which requires a minimum of 125 pieces per carrier route, the new tier (high density plus) would require a minimum of 300 pieces per carrier route.

Proposed Changes for Flats*Standard Mail Flats*

We propose to add a new price tier for high density flats. In addition to the current high density tier which requires a minimum of 125 pieces per carrier route, the new tier (high density plus) would require a minimum of 300 pieces per carrier route.

Proposed Changes for Letters and Flats*Preparing Residual Mail From First-Class Mail and Standard Mail Mailings*

We propose to revise DMM 235.0, 245.0, 335.0, 345.0, and 705.8.0 to provide new standards for the preparation of pallets, trays, and sacks of First-Class Mail or Standard Mail letters and flats.

The Postal Service continuously reviews the processes and requirements related to the preparation and entry of mail from commercial mailers. In this regard, the Postal Service, working in collaboration with the commercial mailing industry, has identified areas for improved mutual efficiencies from minor changes to its mail preparation standards. These specific revisions were offered by members of the mailing community, adopted and implemented as optional standards in the context of a *Postal Bulletin* article (22344, August 23, 2012), and incorporated into the DMM on September 4, 2012. The Postal Service now presents this proposal to adopt these current options as mandatory preparation standards.

These changes would generally require mailers to place trays or sacks of residual single-piece First-Class Mail letters and flats on an origin sectional center facility (SCF) pallet; and to place trays or sacks of residual Standard Mail letters and flats, paid at the single-piece First-Class Mail prices, on a mixed network distribution center (NDC) pallet. The Postal Service also would require use of new human-readable texts linked to several existing content identifier number (CIN) codes that specifically identify single-piece mailpieces. This would require new text on origin SCF pallet placards, identifying this pallet level as a working pallet; and barcoded labels for trays of residual pieces.

No Additional Entry Fees for Periodicals

We propose changing the designation "additional entry" to "additional mailing offices" and eliminating the fees for Periodicals publications to be mailed in multiple locations. Approved Periodicals would be able to mail at any Post Office™ with *PostalOne!*® access.

Change in Advertising Percentage Allowed for Periodicals Requester Publications

Requester publications will be permitted to exceed 75% advertising in no more than 25% of the issues produced in any 12-month period. This will allow publishers greater advertising flexibility during high advertising volume periods.