DOCKET SECTION

BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001 RECEIVED

SEP 26 4 48 PM 197

POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TAUFIQUE TO INTERROGATORIES OF
THE NATIONAL NEWSPAPER ASSOCIATION
(NNA/USPS-T34—1, 4–8),
AND MOTION FOR EXTENSION OF TIME TO RESPOND TO NNA/USPS-T34-2-3

The United States Postal Service hereby provides responses of witness Taufique to the following interrogatories of the National Newspaper Association: NNA/USPS-T34—1, 4—8, filed on September 12, 1997. Interrogatory NNA/USPS-T34—9 was redirected to witness Alexandrovich.

The Postal Service moves for an extension, until Wednesday, October 1, to respond to interrogatories NNA/USPS-T34-2 and 3. These responses involve coordination with a manager who will not be available until Tuesday or Wednesday.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

NE LE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

David H. Rubin

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2986; Fax –5402 September 26, 1997

NNA/USPS T34-1

Please refer to your testimony on Table III. Please confirm that the pound rate in within-county "zoned advertising delivery unit" proposed rates is intended to apply only to advertising weight. If you do not confirm, please explain.

RESPONSE

Not Confirmed. The within-county pound rate label "zoned advertising delivery unit" is incorrect. The correct label should be "DELIVERY UNIT". A distinction between advertising and editorial content is not made in the Within County subclass. An erratum will be filed.

NNA/USPS T34-4

Please describe any changes that the Postal Service has publicly discussed since June 1, 1997, regarding sortation, packaging or sacking of Periodicals mail to Sectional Center Facilities and provide copies of any memoranda, reports or press announcements regarding this intended change. If you do not confirm, please explain. Please describe any effects such a change, if any, would have upon the test year costs or rates proposed in this case.

RESPONSE

The Postal Service has published notice of a proposed rule in the Federal Register (Vol. 62, No. 178/ Monday September 15, 1997, pages 48192-3) which would add the SCF sack level to the presort requirements for Periodicals mailings of nonletter size pieces. A copy of this proposed rule is attached. This change would not affect the proposed rates and costs in the test year, as explained in Witness Seckar's response to ABP/USPS-T34-7[b], filed September 3, 1997.

48191

meetings should be directed to Elizabeth Allen. Federal Aviation Administration. Office of Rulemaking (ARM-100), 800 Independence Avenue, SW, Washington, DC 20591, telephone (202) 267-8199, fax (202) 267-5075.

Questions concerning the NPRM on Airport Security (Parts 107 and 139) should be directed to Penny Anderson. Office of Civil Aviation Security Policy and Planning, Civil Aviation Security Division (ACP-100), Federal Aviation Administration, 800 Independence Ave., SW, Washington, DC 20591; telephone (202) 267-3413.

Questions concerning the NPRM on Aircraft Operator Security (Part 108) should be directed to Rhonda Hatmaker. Office of Civil Aviation Security Policy and Planning Civil Aviation Security Division (ACP-100), Federal Aviation Administration, 800 Independence Ave., SW, Washington, DC 20591; telephone (202) 267-3413.

SUPPLEMENTARY INFORMATION:

Participation at the Public Meetings on the NPRMs

Requests from persons who wish to present oral statements at the public meetings on the Airport Security and/or the aircraft Operator Security proposals should be received by the FAA no later than October 9, 1997, for the Washington, DC meeting and no later than October 16, 1997, for the Fort Worth, TX meeting. Such requests should be submitted to Elizabeth Allen as listed in the section titled FOR FURTHER INFORMATION CONTACT and should include a written summary of oral remarks to be presented, the date of the meeting the requester wishes to eddress, and an estimate of time needed for the presentation. Requests received after the dates specified above will be scheduled if there is time available during the meeting; however, the names of those individuals may not appear on the written agenda. The FAA will prepare an agenda of speakers that will be available at the meetings. To accommodate as many speakers as possible, the amount of time allocated to each speaker may be less than the amount of time requested. Those persons desiring to have available audiovisual equipment should notify the FAA when requesting to be placed on the agenda.

Background

The FAA will conduct two public meetings on the recently published Airport Security (Parts 107 and 139) and Aircraft Operator Security (Part 108) proposed rules.

The notices of proposed rulemaking were published in the Federal Register

on August 1, 1997 (62 FR 41760 (Parts 107 and 139), and 62 FR 41730 (Part 108)]. The NPRMs proposed to update the overail regulatory structure for airport and air carrier security.

The closing date for comments on these proposals is December 1, 1997. The FAA is planning these meetings to give the public an additional opportunity to comment on these proposed rules.

Persons interested in obtaining a copy of the Airport Security (Parts 107 and 139) and/or the Aircraft Operator Security (Part 108) proposed rules should contact Elizabeth Allen at the address or telephone number provided in FOR FURTHER INFORMATION CONTACT.

An electronic copy of these documents may be downloaded using a modem and suitable communications software from the FAA regulations section of the Fedworld electronic bulletin board service (telephone: (703) 321–3339) or the Federal Register's electronic bulletin board service (telephone: (202) 512–1661).

Internet users may reach the FAA's webpage at http://www.faa.gov or the Federal Register's webpage at http://www.access gpo.gov/su_docs to access recently published rulemaking documents.

Public Meeting Procedures

The following procedures are established to facilitate the public meetings on the NPRMs:

1. There will be no admission fee or other charge to attend or to participate in the public meetings. The meetings will be open to all persons who have requested in advance to present statements, or who register on the day of the meeting (between 8.30 a.m. and 9:00 a.m.) subject to availability of space in the meeting room.

2. The public meetings will adjourn after scheduled speakers have completed their statements.

3. The FAA will try to accommodate all speakers; therefore, it may be necessary to limit the time available for an individual or group.

4. Participants should address their comments to the panel. No individual will be subject to cross-examination by any other participant.

5. Sign and oral interpretation can be made available at the meetings, as well as an assistive listening device, if requested 10 calendar days before the 'meetings.

6. Representatives of the FAA will conduct the public meetings. A panel of FAA personnel involved in this issue will be present.

7. The meetings will be recorded by a court reporter. A transcript of the

meetings and any material accepted by the panel during the meetings will be included in the public dockets (Docket No. 28979 (Parts 107 and 139), and Docket No. 28978 (Part 108)). Any person who is interested in purchasing a copy of the transcript should contact the court reporter directly. This information will be available at the meetings.

8. The FAA will review and consider all material presented by participants at the public meetings. Position papers or material presenting views or information related to the proposed NPRMs may be accepted at the discretion of the presiding officer and subsequently placed in the public docket. The FAA requests that persons participating in the meetings provide 10 copies of all materials to be presented for distribution to the panel members; others copies may be provided to the audience at the discretion of the participant.

9. Statements made by members of the public meeungs panel are intended to facilitate discussion of the issues or to clarify issues. Because the meetings concerning the Airport Security (Parts 107 and 139) and Aircraft Operator Security (Part 108) are being held during the comment period, final decisions concerning issues that the public may raise cannot be made at the meetings. Federal Aviation Administration officials may, however, ask questions to clarify statements made by the public and to ensure a complete and accurate record. Comments made at these public meetings will be considered by the FAA when deliberations begin concerning whether to adopt any or all of the proposed rules.

10. The meetings are designed to solicit public views and more complete information on the proposed rule. Therefore, the meetings will be conducted in an informal and nonadversarial manner.

(49 U.S.C. 106(g), 5103. 40113, 40119. 44701—44702. 44706, 44901—4905, 44907, 44913—14914. 44932, 44935—44936, 46105).

Issued in Washington, DC on September 10, 1997.

Ida Klepper,

Acting Director, Office of Rulemaking.
[FR Doc. 97–24421 Filed 9–12–97; 8:45 am]
BILLING CODE 4910–12-44

POSTAL SERVICE

39 CFR Part 111

11 1 16

Presort Requirements for Periodicals

AGENCY: Postal Service.

ACTION: Proposed Rule.

SUMMARY: The Postal Service plans to add an SCF sack level to the presort requirements for Periodicals automation and nonautomation mailings of nonletter-size pieces. An SCF package level will not be added. Only 5-digit and 3-digit packages will be permitted in the SCF sack. SCF sacks will be prepared after 5-digit and 3-digit sacks, and prior to preparing ADC sacks.

DATES: Comments must be received on or before October 15, 1997.

ADDRESSES: Mail or deliver written comments to the Manager, Mail Preparation and Standards, USPS Headquarters, 475 L'Enfant Plaza SW, Room 6800, Washington, DC 20260—2405. Copies of all written comments will be available at the above address for inspection and photocopying between 9 a.m. and 4 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Lynn M. Martin, (202) 268-6351.

SUPPLEMENTARY INFORMATION: On July 1. 1996, the Postal Service eliminated the optional preparation of SCF packages and sacks as part of the streamlining of presort requirements under Classification Reform. Some Periodicals mailers have indicated that they believe that the inability to sack mail to the SCF level has affected the service of their publications. Many mailers of Periodicals publications have been preparing 3-digit sacks that contain fewer than the required 24 pieces, to ensure good levels of service. This results in increased sack usage by mailers and increased sack handlings by the Postal Service. Reinstating SCF sacks would allow Periodicals mailers to direct sacks to the applicable processing plant for service reasons without having to prepare "skin" 3-digit sacks, and also provide the opportunity for the Postal Service to receive mail sorted to a finer level than an area distribution center (ADC) sack.

Accordingly, the Postal Service is proposing reinstate, for only non-lettersize Periodicals publications, an SCF sack that would be prepared after all required 5-digit and 3-digit sacks, and prior to preparing required ADC sacks. It is proposed that preparation of the SCF sack would be optional for the period beginning on the date the final rule regarding this notice is published and ending on the effective date of the preparation rules that are placed in effect as a result of the Docket No. R97-1 rate case proceedings. Upon implementation of the preparation rules resulting from the rate case proceedings. it is proposed that preparation of the SCF sack would become mandatory.

Preparation of an SCF package will not be permitted under this planned rule change. An SCF package would increase piece distribution for the Postal Service. Accordingly, SCF sacks would be permitted to contain only 5-digit and 3-digit packages.

For nonautomation rate mailings, mail in SCF sacks would be eligible for the basic per-piece rates. For SCF sacks in automation rate mailings, 5-digit and unique 3-digit packages of 6 or more pieces would qualify for the 3/5 automation rate, and nonunique 3-digit packages as well as 5-digit and 3-digit packages of fewer than 6 pieces would qualify for the basic automation per piece rates.

For the interim period when preparation of SCF sacks will be optional, mailers who choose to prepare SCF sacks must prepare them for each SCF in the mailing for which there are 24 or more pieces of mail prepared in 5-digit and/or 3-digit packages. At the mailer's option SCF sacks may also be prepared that contain fewer pieces (a minimum of one package).

The standard to prepare required origin/optional entry 3-digit sacks will not apply to Penodicals publications for which SCF sacks are prepared. Instead, mailers opting to prepare SCF sacks must prepare required origin/optional entry SCF sacks. At the time SCF sacks become a required level of sortation, the standard to prepare required origin/optional entry 3-digit sacks will be deleted and preparation of required origin/optional entry SCF sacks will become the new standard.

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 comments on the following proposed revisions of the Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations. See 39 CFR part

List of Subjects in 39 CFR Part 111
Postal Service.

PART 111-[AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 3001-3011, 3201-3219, 3403-3406, 3621, 3626, 5001.

2. Revise the following sections of the Domestic Mail Manual as set forth below:

M Mail Preparation and Sortation

M000 General Preparation Standards

M010 Mailpieces

M011 Basic Standards

1.0 TERMS AND CONDITIONS

1.2 Presort Levels

[Redesignate current 1.2] through 1.2m as 1.2k through 1.2n respectively; insert new 1.2] to read as follows:]

j. Origin/optional entry SCF: The separation includes packages for one or more 3-digit areas served by the same sectional center facility (SCF) (see L005) in whose service area the mail is verified/entered. Subject to standard, this separation is required regardless of the volume of mail.

1.3 Preparation Instructions

[Redesignate current 1.3] through 1.3p as 1.3k through 1.3q respectively; insert new 1.3j to read as follows:]

j. An origin/optional entry SCF sack contains all 5 digit and 3-digit packages (regardless of quantity) for the SCF in whose service area the mail is verified. At the mailer's option such a sack may be prepared for the SCF area of each entry post office. This presort level applies only to non-letter-size Periodicals prepared in sacks.

M030 Containers

M032 Barcoded Labels

1.0 BASIC STANDARDS—TRAY AND SACK LABELS

1.3 Content Line (Line 2)

[Amend Exhibit 1.3a by inserting the following between 3-digit sacks and ADC sacks for PER Flats—Automation to read as follows:]

Class and mailing	CIN	Human readable content line
PER Flats-Auto- mation		
	-	
SCF sacks	377	PER FLTS SCF BC'

[Amend Exhibit 1.3a by inserting the following between 3-digit sacks and ADC sacks for PER Flats—3/5 and Basic to read as follows:]

ull I I I

48193

PER Flats-3/5 and Basic

[Amend Exhibit 1.3a by inserting the following between 3-digit sacks and ADC sacks for NEWS Flats—Automation to read as follows:]

Class and mailing	CIN	Human readable content line	
NEWS Flats-Auto- mation			
	•		
SCF sacks	477	NEWS FLTS SCF BC	

(Amend Exhibit 1.3a by inserting the following between 3-digit sacks and ADC sacks for NEWS Flats—3/5 and Basic to read as follows:

NEWS Flats-3/5 and Basic

Class and mailing	CIN	Human readable content line	
SCF sacks	484	NEWS FLTS SCF NON BC	

M200 Periodicals (Nonautomation)

1.0 BASIC STANDARDS

1.5 Low-Volume Packages and Sacks

As a general exception to 2.4b through 2.4d and 3.1a through 3.1e, non-letter-size Penodicals may be prepared in packages containing fewer than six pieces, and in sacks containing as few as one such package, when the publisher determines that such preparation improves service. These low-volume packages may be placed on 5-digit, 3-digit, and SCF pallets under M045.

1.6 Optional SCF Sack

Mailers of non-letter-size Periodicals have the option to prepare an SCF sack level. If mailers choose to prepare SCF sacks, they must prepare them for all SCF destinations in the mailing for which there are 24 or more pieces prepared in 5-digit or 3-digit packages, under 3.1. When SCF sacks are

prepared, required origin/optional entry 3-digit sacks must not be prepared and required origin/optional entry SCF sacks must be prepared.

3.0 SACK PREPARATION (FLAT-SIZE PIECES AND IRREGULAR PARCELS)

3.1 Sack Preparation

(Redesignate current 3 1e and 3.1f as 3.1f and 3.1g respectively; insert new 3.1e to read as follows:)

Sack size, preparation sequence, and Line 1 labeling:

e. Optional SCF: required at 24 pieces (no minimum for required origin/optional entry SCF), optional with one six-piece package minimum except under 1.5; for Line 1, use L002, Column

M820 Flat-Size Mail

1.0 BASIC STANDARDS

1.0 BASIC STANDARDS

1.7 Exception-Periodicals

As a general exception to 3.1a. 3.1b. and 3.2a through 3.2c. Periodicals may be prepared in packages containing fewer than six pieces, and in sacks containing as few as one such package, when the publisher determines that such preparation improves service. These low-volume packages may be placed on 5-digit, 3-digit, and SCF pallets under M045.

1.8 Optional SCF Sack-Periodicals

Mailers of Periodicals have the option to prepare an SCF sack level. If mailers choose to prepare SCF sacks, they must prepare them for all SCF destinations in the mailing for which there are 24 or more pieces prepared in 5-digit or 3-digit packages, under 3.2. When SCF sacks are prepared, required origin/optional entry 3-digit sacks must not be prepared and required origin/optional entry SCF sacks must be prepared.

3.0 PERIODICALS

3.2 Sack Preparation

(Renumber 3.2c and 3.2d as 3.2d and 3.2e respectively; add new 3.1c to read as follows:)

Sack size, preparation sequence, and Line 1 labeling:

c. Optional SCF: required at 24 pieces (no minimum for required origin/optional entry SCF), optional with one six-piece package minimum except

under 1.7; for Line 1, use L002, Column C.

An appropriate amendment to 39 CFR 111.3 to reflect these changes will be published if the proposal is adopted. Stanley F. Mires.

Chief Counsel, Legislative. [FR Doc. 97-24306 Filed 9-12-97, 8,45 am] BILLING CODE 7710-12-P

FEDERAL EMERGENCY MANAGEMENT AGENCY

44 CFR Part 67

[Docket No. FEMA-7227]

Proposed Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency, FEMA. ACTION: Proposed rule.

SUMMARY: Technical information or comments are requested on the proposed base (1% annual chance) flood elevations and proposed base flood elevation modifications for the communities listed below. The base flood elevations are the basis for the floodplain management measures that the community is required either to adopt or to show evidence of being already in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

DATES: The comment period is ninety (90) days following the second publication of this proposed rule in a newspaper of local circulation in each community.

ADDRESSES: The proposed base flood

elevations for each community are

available for inspection at the office of the Chief Executive Officer of each community. The respective addresses are listed in the following table.

FOR FURTHER INFORMATION CONTACT: Frederick H. Sharrocks, Jr., Chief. Hazard Identification Branch. Mitigation Directorate, 500 C Street SW, Washington, DC 20472, (202) 646–2796. SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA or Agency) proposes to make determinations of base flood elevations and modified base flood elevations for

accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a). These proposed base flood and modified base flood elevations, together

with the floodplain management criteria

each community listed below, in

. . . .

111

NNA/USPS T34-5

Please provide estimates of the percentages of periodicals the Postal Service estimates will use the newly proposed basic, 3-digit, 5-digit and carrier route rates.

RESPONSE

The Postal Service's estimate of the volumes in various presort categories for Regular Rate Periodicals and Within County Periodicals are provided in USPS-T-34, Workpaper RR-J and USPS-T-34, Workpaper WC-J. For percent estimates for Regular Rate Periodicals see my response to TW/USPS-T26-2 [d], page 3 of 3, redirected from witness Seckar, and filed September 9, 1997.

The Within County estimated percent breakdown for the test year for the proposed basic, 3-digit, 5-digit, and carrier route rates is as follows:

Basic	16%
3-Digit	4%
5-Digit	12%
Carrier Route	68%

NNA/USPS T34-6

Please refer to your description of periodicals mail on page 4 of your testimony.

a. Please provide any studies or surveys indicating what percentage of within-county periodical mail represents the following categories described by you: magazines, newspapers, newsletters and bulletins.

RESPONSE

It is my understanding that the Postal Service has not conducted any studies or surveys to estimate the percent of Within County periodicals that are magazines, newspapers, newsletters, or bulletins.

The Postal Rate Commission published a study, dated June 18, 1986, and titled "REPORT TO THE CONGRESS: PREFERRED RATE STUDY", that contains a breakdown of Within County mail for newspapers, newsletters, and magazines.

NNA/USPS T34-7

Please explain your statement on page 20 of your testimony: "passthroughs used for Within-County rates are by necessity much smaller than other classes because the cost study used is for Nonprofit mail."

- a. Please confirm that the study referenced in this statement was filed by the Postal Service as LR-H-111. If you so not confirm, please provide this study.
- b. Please explain in detail why it calls for mitigation of passthroughs for within-county.
- c. Are you sponsoring LR-H-111 in this case? If not, to your knowledge, is any other witness sponsoring that study for use in this case?
- d. If the Postal Service had not decided to assign all non-transportation costs savings to the piece rate for within-county periodicals, what would the discounts for the piece and pound rates have been?

RESPONSE

- a. Confirmed.
- b. The choice of passthroughs in the proposed rate design for Within County was based on the premise of mitigating rate shock, by keeping the increase in each rate cell in a relatively tight band around the proposed average increase of 2.2 percent. The word 'passthroughs' for Within County in the quoted statement on page 20 of my testimony generally refers to all passthroughs used in the Within County rate design, because separate cost studies were not conducted for the Within County subclass. All cost avoidance estimates were based on cost studies for Nonprofit Periodicals. (See LR-H-111 and USPS-T-26).

The passthroughs are mitigated, primarily, for two reasons. First, as indicated above, a goal in rate design was to mitigate rate shock. If larger passthroughs

NNA/USPS T34-7[b] continued, page 2 of 3

had been used, the pound rate for "general delivery" and the piece rates for less finely prepared mail, particularly Basic, would have increased dramatically.

Second, I wanted to be conservative in my choice of passthroughs due to the nature of the cost information itself. The Within County rate design employs Nonprofit cost avoidances. By its very definition, Within County mail is distributed in a relatively small geographic area. Consequently, the 'General Delivery' mail on the pound side and 'Basic Non-Automation' mail on the piece side, in most instances, will receive fewer handlings than non-DDU and basic presort mail for other categories which can be handled at several facilities. As such, I believe that Within County DDU dropshipment and basic presort is lower cost mail, and the resulting cost avoidances are likely to be lower.

- c. I did not conduct this study. Results of this study are used in the proposed rate design, and I am available to answer any questions regarding this application of the study. Other questions about LR H-111 can be directed to the Postal Service. Please see the Postal Service's response to ABP/USPS-1 in this regard.
- d. The Postal Service did not decide to assign all non-transportation cost

NNA/USPS T34-7[d] Continued, Page 3 of 3

savings to the piece rates. Please see USPS-T-34, Workpaper WC-F, page 1.

The per pound cost savings of \$0.045 are recognized with a 30 percent passthrough to calculate a per pound discount of \$0.014.

NNA/USPS T34-8

What percentage of Periodicals mail consists of letter-shaped mail? What percentage of within-county mail consists of letter-shaped mail?

RESPONSE

Letter-shaped (Letters and Cards) mail makes up 8.33 percent of Periodicals mail (See Library Reference H-129, Page I-4). Similar information is not available for Within County mail.

DECLARATION

I, Altaf H. Taufique, declare under penalty of perjury that the foregoing
answers are true and correct, to the best of my knowledge, information, and belief

ALTAF H. TAUFIQUE

Dated: 9/26/97

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

David H. Rubin

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 September 26, 1997