II. Initial Administrative Actions

The Commission establishes Docket No. CP2020–249 to consider the Postal Service’s Notice. Interested persons may express views and offer comments on whether the planned changes are consistent with 39 U.S.C. 3632, 3633, and 3642, 39 CFR part 3035, and 39 CFR 3040 subparts B and E. Comments are due no later than August 31, 2020. For specific details of the planned price changes, interested persons are encouraged to review the Notice, which is available on the Commission’s website at www.prc.gov.

Pursuant to 39 U.S.C. 505, Kenneth R. Moeller is appointed to serve as Public Representative to represent the interests of the general public in this docket.

III. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. CP2020–249 to provide interested persons an opportunity to express views and offer comments on whether the planned changes are consistent with 39 U.S.C. 3632, 3633, and 3642, 39 CFR part 3035, and 39 CFR 3040 subparts B and E.

2. Comments are due no later than August 31, 2020.

3. Pursuant to 39 U.S.C. 505, the Commission appoints Kenneth R. Moeller to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

4. The Secretary shall arrange for publication of this order in the Federal Register.

By the Commission.

Erica A. Barker, Secretary.

[FR Doc. 2020–18291 Filed 8–19–20; 8:45 am]

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2020–221 and CP2020–251]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing for the Commission’s consideration concerning a negotiated service agreement. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: Comments are due: August 24, 2020.

ADDRESSES: Submit comments electronically via the Commission’s Filing Online system at http://www.prc.gov. Those who cannot submit comments electronically should contact the person identified in the FOR FURTHER INFORMATION CONTACT section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

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I. Introduction
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I. Introduction

The Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to negotiated service agreement(s). The request(s) may propose the addition or removal of a negotiated service agreement from the market dominant or the competitive product list, or the modification of an existing product currently appearing on the market dominant or the competitive product list.

Section II identifies the docket number(s) associated with each Postal Service request, the title of each Postal Service request, the request’s acceptance date, and the authority cited by the Postal Service for each request. For each request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 [Public Representative]. Section II also establishes comment deadline(s) pertaining to each request.

The public portions of the Postal Service’s request(s) can be accessed via the Commission’s website (http://www.prc.gov). Non-public portions of the Postal Service’s request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.

The Commission invites comments on whether the Postal Service’s request(s) in the captioned docket(s) are consistent with the policies of title 39. For request(s) that the Postal Service states concern market dominant product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3622, 39 U.S.C. 3642, 39 CFR part 3030, and 39 CFR part 3040, subpart B. For request(s) that the Postal Service states concern competitive product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3040, subpart B.

II. Docketed Proceeding(s)

1. Docket No(s): MC2020–221 and CP2020–251; Filing Title: USPS Request to Add Priority Mail & First-Class Package Service Contract 158 to Competitive Product List and Notice of Filing Materials Under Seal; Filing Acceptance Date: August 14, 2020;

the United States Postal Service voted members of the Board of Governors of the Securities and Exchange Commission ("Commission") proposed rule change SR–FICC–2020–009. On August 13, 2020, FICC filed Amendment No. 1 to the proposed rule change, to make clarifications and corrections to the proposed rule change. The proposed rule change, as modified by Amendment No. 1 (hereinafter, the “Proposed Rule Change”), is described in Items I, II and III below, where such Items have been prepared primarily by the clearing agency. The Commission is publishing this notice to solicit comments on the Proposed Rule Change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The Proposed Rule Change consists of modifications to the FICC Government Securities Division ("GSD") Rulebook ("GSD Rules") and the FICC Mortgage-Backed Securities Division ("MBSD") Clearing Rules ("MBSD Rules," and together with the GSD Rules, "Rules") to introduce the Margin Liquidity Adjustment ("MLA") charge as an additional component of GSD and MBSD’s respective Clearing Funds, as described in greater detail below. This Proposed Rule Change also consists of modifications to the GSD Rules, the GSD Methodology Document—GSD Initial Market Risk Margin Model ("GSD QRM Methodology Document") and the MBSD Methodology and Model Operations Document—MBSD Quantitative Risk Model ("MBSD QRM Methodology Document," and together with the GSD QRM Methodology Document, the "QRM Methodology Documents") in order to (i) enhance the calculation of the VaR Charges of GSD and MBSD to include a bid-ask spread risk charge, and (ii) make necessary technical changes to the QRM Methodology Documents in order to implement this proposed change.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the Proposed Rule Change and discussed any comments it received on the Proposed Rule Change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

FICC is proposing to enhance the methodology for calculating Required Fund Deposits to the respective Clearing Funds of GSD and MBSD by (1) introducing a new component, the MLA charge, which would be calculated to address the risk presented to FICC when a Member’s portfolio contains large net unsettled positions in a particular group of securities with a similar risk profile or in a particular transaction type (referred to as “asset groups”); and (2) enhancing the calculation of the VaR Charges of GSD and MBSD by including a bid-ask spread risk charge, as described in more detail below.

FICC is also proposing to make certain technical changes to the QRM Methodology Documents, as described in more detail below, in order to implement the proposed enhancement to the VaR Charges.

(i) Overview of the Required Fund Deposits and the Clearing Funds

As part of its market risk management strategy, FICC manages its credit risk using a combination of internal and external credit controls, including collateral requirements and margin requirements. FICC also uses a quantitative risk model to assess and manage its exposure to market risk.

FICC’s quantitative risk model, referred to as the Quantitative Risk Model ("QRM") is a capital allocation model that is used to determine the required fund deposits and margin requirements for Members. The QRM model is based on a diversified portfolio of securities and is designed to capture the risk associated with a diversified portfolio of securities. The QRM model is used to determine the required fund deposits and margin requirements for Members as of the close of a given trading day. The QRM model takes into account a variety of factors, including the risk profile of the securities in the portfolio, the volatility of the securities, and the correlation between the securities in the portfolio.

FICC’s current QRM model is based on the GSD QRM Methodology Document and the MBSD QRM Methodology Document. FICC is proposing to make certain technical changes to the QRM Methodology Documents, as described in more detail below, in order to implement the proposed enhancement to the VaR Charges.

The QRM model is used to determine the required fund deposits and margin requirements for Members as of the close of a given trading day. The QRM model takes into account a variety of factors, including the risk profile of the securities in the portfolio, the volatility of the securities, and the correlation between the securities in the portfolio.

FICC’s current QRM model is based on the GSD QRM Methodology Document and the MBSD QRM Methodology Document. FICC is proposing to make certain technical changes to the QRM Methodology Documents, as described in more detail below, in order to implement the proposed enhancement to the VaR Charges.