

Priority Mail Contract 2 (MC2009–2 and CP2009–3)
 Priority Mail Contract 3 (MC2009–4 and CP2009–5)
 Priority Mail Contract 4 (MC2009–5 and CP2009–6)
 Priority Mail Contract 5 (MC2009–21 and CP2009–26)
 Priority Mail Contract 6 (MC2009–25 and CP2009–30)
 Priority Mail Contract 7 (MC2009–25 and CP2009–31)
 Priority Mail Contract 8 (MC2009–25 and CP2009–32)
 Priority Mail Contract 9 (MC2009–25 and CP2009–33)
 Priority Mail Contract 10 (MC2009–25 and CP2009–34)
 Priority Mail Contract 11 (MC2009–27 and CP2009–37)
 Priority Mail Contract 12 (MC2009–28 and CP2009–38)
 Priority Mail Contract 13 (MC2009–29 and CP2009–39)
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 Outbound International
 Direct Entry Parcels Contracts
 Direct Entry Parcels 1 (MC2009–26 and CP2009–36)
 Global Direct Contracts (MC2009–9, CP2009–10, and CP2009–11)
 Global Expedited Package Services (GEPS) Contracts
 GEPS 1 (CP2008–5, CP2008–11, CP2008–12, and CP2008–13, CP2008–18, CP2008–19, CP2008–20, CP2008–21, CP2008–22, CP2008–23, and CP2008–24)
 Global Plus Contracts
 Global Plus 1 (CP2008–8, CP2008–46 and CP2009–47)
 Global Plus 2 (MC2008–7, CP2008–16 and CP2008–17)
 Inbound International
 Inbound Direct Entry Contracts with Foreign Postal Administrations (MC2008–6, CP2008–14 and CP2008–15)
 International Business Reply Service
 Competitive Contract 1 (MC2009–14 and CP2009–20)
 Competitive Product Descriptions
 Express Mail
 [Reserved for Group Description]
 Express Mail
 [Reserved for Product Description]
 Outbound International Expedited Services
 [Reserved for Product Description]
 Inbound International Expedited Services
 [Reserved for Product Description]
 Priority
 [Reserved for Product Description]
 Priority Mail
 [Reserved for Product Description]
 Outbound Priority Mail International
 [Reserved for Product Description]
 Inbound Air Parcel Post
 [Reserved for Product Description]
 Parcel Select
 [Reserved for Group Description]
 Parcel Return Service
 [Reserved for Group Description]
 International
 [Reserved for Group Description]
 International Priority Airlift (IPA)
 [Reserved for Product Description]
 International Surface Airlift (ISAL)

[Reserved for Product Description]
 International Direct Sacks—M-Bags
 [Reserved for Product Description]
 Global Customized Shipping Services
 [Reserved for Product Description]
 International Money Transfer Service
 [Reserved for Product Description]
 Inbound Surface Parcel Post (at non-UPU rates)
 [Reserved for Product Description]
 International Ancillary Services
 [Reserved for Product Description]
 International Certificate of Mailing
 [Reserved for Product Description]
 International Registered Mail
 [Reserved for Product Description]
 International Return Receipt
 [Reserved for Product Description]
 International Restricted Delivery
 [Reserved for Product Description]
 International Insurance
 [Reserved for Product Description]
 Negotiated Service Agreements
 [Reserved for Group Description]
 Domestic
 [Reserved for Product Description]
 Outbound International
 [Reserved for Group Description]

Part C—Glossary of Terms and Conditions
 [Reserved]

Part D—Country Price Lists for International Mail [Reserved]

[FR Doc. E9–19504 Filed 8–13–09; 8:45 am]

BILLING CODE 7710-FW-P

POSTAL REGULATORY COMMISSION

39 CFR Part 3020

[Docket Nos. MC2009–26 and CP2009–36; Order No. 264]

International Mail Products and Special Services

AGENCY: Postal Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Commission is adding Direct Entry Parcels Contracts and two related special services to the Competitive Product List. The two special services are categorized within International Ancillary Services. This action is consistent with changes in a recent law governing postal operations.

Republication of the lists of market dominant and competitive products is also consistent with requirements in the new law.

DATES: Effective August 14, 2009 and is applicable beginning July 31, 2009.

FOR FURTHER INFORMATION CONTACT:

Stephen L. Sharfman at 202–789–6820 or stephen.sharfman@prc.gov.

SUPPLEMENTARY INFORMATION: *Regulatory History*, 74 FR 30646 (June 29, 2009).

I. Introduction
 II. Background
 III. Comments

IV. Commission Analysis
 V. Ordering Paragraphs

I. Introduction

The Postal Service seeks to add Direct Entry Parcels (DEP) Contracts, International Return Service, and Harmonization Service to the Competitive Product List. For the reasons discussed below, the Commission approves adding the specific DEP contract (DEP 1) as a new product, along with International Return Service and Harmonization Service as ancillary (or special) services.

II. Background

On June 11, 2009, the Postal Service filed a formal request pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.* to add Direct Entry Parcels Contracts, International Return Service, and Harmonization Service to the Competitive Products List.¹ The Postal Service indicates that Governors' Decision No. 09–7, dated June 10, 2009, establishes prices and classifications not of general applicability for DEP contracts and the ancillary services of International Return Service and Harmonization Service.² The Request has been assigned Docket No. MC2009–26.

The Postal Service contemporaneously filed a DEP contract pursuant to 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. Request at 1. The contract has been assigned Docket No. CP2009–36.

The Request incorporates (1) A Statement of Supporting Justification as required by 39 CFR 3020.32;³ (2) Governors' Decision No. 09–7 authorizing the new product and services;⁴ (3) proposed changes to the Mail Classification Schedule (MCS);⁵ (4) the pricing formulas applicable to DEP contracts, International Return Service and Harmonization Service;⁶ (5) an analysis of those pricing formulas;⁷ (6) certification of

¹ Request of the United States Postal Service to Add Direct Entry Parcels Contracts, International Return Service, and Harmonization Service to the Competitive Products List, and Notice of Filing (Under Seal) of Contract and Enabling Governors' Decision, June 11, 2009 (Request).

² Governors' Decision No. 09–7, filed June 11, 2009, establishes prices and classifications not of general applicability for Direct Entry Parcels Contracts, International Return Service, and Harmonization Service Offered with Customized Agreements. *Id.* at 1.

³ Attachment 1 to the Request.

⁴ Attachment 2 to the Request.

⁵ Attachment 2, Attachments A–1, A–2, and A–3 to the Request.

⁶ Attachment 2, Attachments B–1, B–2, and B–3 to the Request.

⁷ Attachment 2, Attachments C–1, C–2, and C–3 to the Request.

compliance with 39 U.S.C. 3633(a);⁸ (7) a redacted version of the contract;⁹ and (8) certification that the instant contract (DEP 1) complies with 39 U.S.C. 3633(a).¹⁰ Substantively, the Request seeks to add the DEP contract, and the ancillary services of International Return Service, and Harmonization Service to the Competitive Products List. Request at 1–2.

In the Statement of Supporting Justification, Frank Cebello, Executive Director, Global Business Management, asserts that the service to be provided under the contract will cover its attributable costs, make a positive contribution to institutional costs, and increase contribution toward the requisite 5.5 percent of the Postal Service's total institutional costs. *Id.*, Attachment 1. Thus, Mr. Cebello contends there will be no issue of subsidization of competitive products by market dominant products as a result of this contract. *Id.*

The Postal Service represents that the instant contract is consistent with 39 U.S.C. 3633(a), 39 CFR 3015.5 and 39 CFR 3015.7. *See id.*, Attachment 2. DEP contracts include International Return Service and Harmonization Service as optional features which reflect the proposed MCS language in Attachments A–2 and A–3 of the Governors' Decision, respectively. DEP contracts provide for mail acceptance within the United States, transportation to a receiving country of parcels bearing the appropriate foreign indicia, transportation to customs within the receiving country, and customs clearance and prepayment of customs duties and taxes to the receiving country. The Postal Service states that International Return Service provides for the return of refused or undeliverable items. It states that Harmonization Service offers review of outbound items by a licensed customs broker and the broker's assignment of Harmonized Tariff Schedule codes to facilitate assessment of customs duties. *Id.* at 2–3. The Postal Service notes that the latter two services will only be available through customized agreements, in particular through DEP contracts similar to the instant contract.

The contract becomes effective within 30 days after the Postal Service notifies the customer that it has received all required reviews and the Commission has provided all necessary regulatory approvals. The term of the contract is one year from the effective date.

The Postal Service filed much of the supporting materials, including Governors' Decision 09–7, and related financial information, including analysis of the instant contract in redacted versions and under seal. In its Request, the Postal Service maintains that the contract and related financial information, including the customer's name and the accompanying analyses that provide prices, terms, conditions, and financial projections, should remain under seal. *Id.* at 3–4.

The Postal Service requests that the Commission list the instant DEP contract, as well as any subsequent functionally equivalent DEP contracts, as one product on the Competitive Product List. *Id.* at 1–2. The Request advances reasons why DEP contracts as described in the proposed MCS language are in conformity with the requirements of 39 U.S.C. 3642 as competitive products. Among other things, the Postal Service asserts that DEP contracts are intended for merchandise exempt from the Private Express Statutes; that the Postal Accountability and Enhancement Act (PAEA) classifies bulk international mail as competitive; and that classifying DEP contracts as competitive is consistent with Commission precedent. It contends that even though the senders of DEP items may mail individual pieces, the contract customer has committed to compensate the Postal Service for a bulk volume of DEP items. The Postal Service also notes that Direct Entry Parcels, Harmonization Service, and International Return Service are contractual services not available to individual retail customers. *Id.* at 4–5.

In Order No. 228, the Commission gave notice of the two dockets, appointed a public representative, and provided the public with an opportunity to comment.¹¹ On June 26, 2009, Chairman's Information Request No. 1 (CHIR No. 1) was issued. The Postal Service filed its response to CHIR No. 1 on July 2, 2009.¹² The Postal Service responses provided some of the information requested in CHIR No. 1 and indicated that revised financial information in response to questions 2, 5, 8 and 9 would be filed as soon as it could be completed. On July 15, 2009, the Postal Service filed the revised

financial information as referenced in its July 2, 2009 response.¹³

III. Comments

Comments were filed by the Public Representative on June 29, 2009 (Public Representative Comments). No filings were submitted by any other interested parties.

The Public Representative states that the Governors' Decision authorizes DEP contracts subject to price floor and price ceiling formulas. Public Representative Comments at 1. He contends the instant contract is specifically authorized by the Governors, but any additional DEP contracts would require a separate Governors' Decision in order to comply with the law. *Id.* The Public Representative contends that the price formulas in Governors' Decision No. 09–7 use *ex ante* values which will change over the life of the contract. He notes that the contract permits (but does not require) changing prices if some of the variables in the formula change. Therefore, he concludes there is some risk that a change in the variables under the contract could eliminate the contract's profit. *Id.* at 2. The Public Representative also states it appears the volume under the instant contract is new to the Postal Service. *Id.*

IV. Commission Analysis

The Commission has reviewed the Request, the Agreement, the financial analysis filed under seal, supplemental information filed in response to CHIR No. 1, and the comments filed by the Public Representative.

As a preliminary matter, it may be useful to outline the Request before the Commission. The Postal Service seeks to add DEP Contracts, International Return Service, and Harmonization Service to the Competitive Product List within the Mail Classification Schedule. Request at 1. While the Request characterizes these as three products (*id.*), it appears that International Return Service and Harmonization Service are ancillary (or special) services available only in conjunction with DEP contracts or other customized agreements. *Id.* at 1, n.1 and 3. More specifically, the Postal Service requests that the instant DEP contract, together with any subsequent functionally equivalent DEP contracts, be listed as one product on the Competitive Product List.¹⁴

¹³ Notice of the United States Postal Service Regarding the Filing of Library Reference USPS–CP2009–36NP3, July 15, 2009 and Notice of the United States Postal Service Regarding the Filing of Library Reference USPS–CP2009–36NP4.

¹⁴ *Id.* at 1–2. *See also id.* at 5 (urging the Commission to add “this product [DEP Contracts] to the competitive products list * * *”); and at 6

⁸ Attachment 2, Attachment D to the Request.

⁹ Attachment 3 to the Request.

¹⁰ Attachment 4 to the Request.

¹¹ PRC Order No. 228, Notice and Order Concerning Direct Entry Parcels Contract, International Return Service and Harmonization Service Negotiated Service Agreements, June 22, 2009 (Order No. 228).

¹² Response of the United States Postal Service to Chairman's Information Request No. 1, July 2, 2009.

The Governors' Decision establishes classifications and prices for DEP Contracts, a new product, and International Return Service and Harmonization Service, two special services. The proposed draft MCS language describes these classifications. The instant contract is the first DEP contract executed pursuant to the Governors' Decision. The Commission's consideration of the Request will thus focus on that contract and the ancillary (or special) services offered with it. As discussed below, DEP 1, International Return Service and Harmonization Service will be added to the Competitive Product List and the proposed classification language will be added to the MCS. It is premature, however, to consider the treatment of any future DEP contracts in this proceeding. Whether subsequent DEP contracts, if any, are functionally equivalent with DEP 1 can be addressed in the relevant subsequent proceeding(s).

Statutory requirements. The Commission's statutory responsibilities in this instance entail assigning DEP 1 to either the Market Dominant Product List or to the Competitive Product List. 39 U.S.C. 3642. As part of this responsibility, the Commission also reviews the proposal for compliance with PAEA requirements. This includes, for proposed competitive products, a review of the provisions applicable to rates for competitive products. 39 U.S.C. 3633.

Product list assignment. In determining whether to assign DEP 1 as a product to the Market Dominant Product List or the Competitive Product List, the Commission must consider whether "the Postal Service exercises sufficient market power that it can effectively set the price of such product substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing a significant level of business to other firms offering similar products." 39 U.S.C. 3642(b)(1). If so, the product will be categorized as market dominant. The competitive category of products shall consist of all other products.

The Commission is further required to consider the availability and nature of enterprises in the private sector engaged in the delivery of the product, the views of those who use the product, and the likely impact on small business concerns. 39 U.S.C. 3642(b)(3).

The Postal Service states that DEP contracts are for U.S. based entities that seek a channel to send merchandise or

other articles to their overseas customers in packaging that has the "look and feel" of domestic items in the destination country. Request, Attachment 1, ¶ (d). It states that, generally, DEP contracts will include the use of a licensed customs broker to review items for proper Harmonized Tariff Schedule classification (Harmonization Service), and the Postal Service may arrange the return of undeliverable or refused items (International Return Service). The Postal Service indicates that because of the competitive nature of international shipping services, the market does not permit it to raise prices substantially above costs and the contract is premised on prices that provide sufficient incentive for customers to ship with the Postal Service rather than a competitor. *Id.*

The Postal Service asserts that its bargaining position is constrained by the existence of other shippers who can provide similar services, thus precluding it from taking unilateral action to increase prices or decrease service without the risk of losing volume to private companies in the international shipping industry. The Postal Service also contends that it may not decrease quality or output without risking the loss of business to competitors that offer similar international parcel delivery services. *Id.* It further states that in the proposed MCS language established by the Governors, DEP contract items consist of Parcel Post items that are not subject to the Private Express Statutes and that any letters inserted in Direct Entry Parcels would also likely be within the letter monopoly exclusion of letters under the Private Express Statutes. *Id.*, ¶ (e).

The Postal Service states that the market for international delivery services is highly competitive and the addition of DEP contracts should have minimal, if any, impact on small business concerns. It contends that large shipping companies, consolidators, and freight forwarders comprise the market represented by the customers for the instant contracts, and it is unaware of any small business that can offer comparable service for the customer's volume. It notes that small businesses are gaining an additional option for shipping articles internationally, beyond the service offered by its competitors, resulting in a positive impact on small businesses. Therefore, the Postal Service concludes the net impact on small business should be positive. *Id.*, ¶ (h).

The Public Representative does not oppose the proposed classification of DEP contracts as competitive.

Having considered the statutory requirements, the support offered by the Postal Service, and all comments, the Commission finds that DEP 1 is appropriately classified as a competitive product and should be added to the Competitive Product List.

Cost considerations. The initial supporting documentation filed by the Postal Service on June 11, 2009 did not include source contracts with third-party providers to substantiate certain cost factors. In addition, the rates in the supporting documentation did not match the rates in the instant contract. The Commission had to request the source contracts and additional supporting documentation and seek clarification of discrepancies between rates in the instant contract and supporting documentation in order to complete its analysis.

In its response to CHIR No. 1 on July 15, 2009, the Postal Service filed supporting documentation which included two sets of rates. However, only one set of rates was included in the instant DEP contract. The Commission understands that the second set of rates is only based on projected cost increases as allowed for in the instant contract and explained below under "*Pricing provisions.*"

In future filings, the Postal Service should provide all supporting source documentation, including relevant contracts with third-party providers, and ensure consistency between rates in filed contracts and supporting documentation. Postal Service requests that contain inconsistent or missing information hinder the Commissioner's ability to review filings promptly and may delay final disposition, such as in this instance.

Based on the data submitted, the Commission finds that revenue from DEP 1 should cover its attributable costs (39 U.S.C. 3633(a)(2)), should not lead to the subsidization of competitive products by market dominant products (39 U.S.C. 3633(a)(1)), and should have a positive effect on competitive products' contribution to institutional costs (39 U.S.C. 3633(a)(3)). Thus, an initial review of the instant DEP contract indicates that it comports with the provisions applicable to rates for competitive products.

Pricing provisions. The instant contract includes provisions that would permit price changes during the 1-year term of the contract. The Public Representative notes that these provisions may affect results under the

("the Postal Service believes that this DEP Contract should be added to the competitive products list.")

contract. Public Representative Comments at 2.

Article 9.2 provides that the prices under the DEP contract are based on prices established by Canada Post Corporation for Xpresspost, and that if the latter change, the Postal Service reserves the right to adjust prices accordingly. The second provision, Article 9.1, is somewhat more problematic as it is not based on the destination country's post, but rather on cost increases incurred by the Postal Service over a specified threshold.

The provisions, agreed to by the parties, mitigate risks associated with the contract. Should either of these provisions be invoked during the contract year, the Postal Service shall file a notice of the price changes with the Commission. The notice, in lieu of a filing under 39 CFR 3015, shall include the new prices as well prior to their effective date.

Scope of the Governors' Decision. The Public Representative states that the instant DEP contract is authorized by Governors' Decision No. 09-7, but that any future DEP contracts must be based on a separate Governors' Decision. Otherwise, 39 U.S.C. 402 would be violated. Public Representative Comments at 1.

The Public Representative apparently views Governors' Decision No. 09-7 as having "effectively delegated" the Governors' authority to Postal Service management. He argues that the PAEA does not provide for delegation by the Governors, as distinct from the Board of Governors. The Public Representative concludes that the instant contract has been explicitly authorized by the Governors, but that Governors' Decision No. 09-7 could not be used to support any further DEP contracts. The Commission does not read the Governors' Decision so narrowly. That Governors' Decision authorizes contracts that fall within the terms of the MCS language and price formulas attached to the Governors' Decision. The Public Representative does not explain and it is not clear to the Commission why the Governors' Decision should be read to authorize only the instant contract, but no other. While his conclusion may be predicated on his theory of delegation, the Commission finds that it is unnecessary to address those claims for purposes of this proceeding.

Other considerations. The Postal Service shall promptly notify the Commission of the effective date and termination date of the contract. If the contract terminates earlier than anticipated, the Postal Service shall inform the Commission prior to the new

termination date. The Commission will then remove the product from the MCS at the earliest possible opportunity.

In conclusion, the Commission approves Direct Entry Parcels 1 as a new product, and International Return Service and Harmonization Service as competitive special services. The revision to the Competitive Product List is shown below the signature of this Order and is effective upon issuance of this order.

V. Ordering Paragraphs

It is ordered:

1. Direct Entry Parcels 1 (MC2009-26 and CP2009-36) is added to the Competitive Product List as a new product.
2. International Return Service and Harmonization Service are added as components of the International Ancillary Services product.
3. The Postal Service shall notify the Commission of the scheduled effective date and termination date and update the Commission if the contract terminates at an earlier date, as discussed in this order.
4. As discussed in this order, price changes pursuant to Direct Entry Parcels 1 shall be filed with the Commission.
5. The Secretary shall arrange for the publication of this Order in the **Federal Register**.

List of Subjects in 39 CFR Part 3020

Administrative practice and procedure, Postal Service.

Issued: July 31, 2009.

By the Commission.

Judith M. Grady,
Acting Secretary.

■ For the reasons stated in the preamble, under the authority at 39 U.S.C. 503, the Postal Regulatory Commission amends 39 CFR part 3020 as follows:

PART 3020—PRODUCT LISTS

■ 1. The authority citation for part 3020 continues to read as follows:

Authority: 39 U.S.C. 503; 3622; 3631; 3642; 3682.

■ 2. Revise Appendix A to Subpart A of Part 3020—Mail Classification Schedule to read as follows:

Appendix A to Subpart A of Part 3020—Mail Classification Schedule

Part A—Market Dominant Products

1000 Market Dominant Product List

First-Class Mail

Single-Piece Letters/Postcards

Bulk Letters/Postcards

Flats

Parcels

Outbound Single-Piece First-Class Mail

International

Inbound Single-Piece First-Class Mail

International

Standard Mail (Regular and Nonprofit)

High Density and Saturation Letters

High Density and Saturation Flats/Parcels

Carrier Route

Letters

Flats

Not Flat-Machinables (NFM)/Parcels

Periodicals

Within County Periodicals

Outside County Periodicals

Package Services

Single-Piece Parcel Post

Inbound Surface Parcel Post (at UPU rates)

Bound Printed Matter Flats

Bound Printed Matter Parcels

Media Mail/Library Mail

Special Services

Ancillary Services

International Ancillary Services

Address List Services

Caller Service

Change-of-Address Credit Card

Authentication

Confirm

International Reply Coupon Service

International Business Reply Mail Service

Money Orders

Post Office Box Service

Negotiated Service Agreements

HSBC North America Holdings Inc.

Negotiated Service Agreement

Bookspan Negotiated Service Agreement

Bank of America Corporation Negotiated

Service Agreement

The Bradford Group Negotiated Service

Agreement

Inbound International

Canada Post—United States Postal Service

Contractual Bilateral

Agreement for Inbound Market Dominant

Services

Market Dominant Product Descriptions

First-Class Mail

[Reserved for Class Description]

Single-Piece Letters/Postcards

[Reserved for Product Description]

Bulk Letters/Postcards

[Reserved for Product Description]

Flats

[Reserved for Product Description]

Parcels

[Reserved for Product Description]

Outbound Single-Piece First-Class Mail

International

[Reserved for Product Description]

Inbound Single-Piece First-Class Mail

International

[Reserved for Product Description]

Standard Mail (Regular and Nonprofit)

[Reserved for Class Description]

High Density and Saturation Letters

[Reserved for Product Description]

High Density and Saturation Flats/Parcels

[Reserved for Product Description]

Carrier Route

[Reserved for Product Description]

Letters

[Reserved for Product Description]

Flats

[Reserved for Product Description]

Not Flat-Machinables (NFM)/Parcels

[Reserved for Product Description]

Periodicals	Address List Services	Express Mail & Priority Mail Contract 4
[Reserved for Class Description]	[Reserved for Product Description]	(MC2009–17 and CP2009–24)
Within County Periodicals	Caller Service	Express Mail & Priority Mail Contract 5
[Reserved for Product Description]	[Reserved for Product Description]	(MC2009–18 and CP2009–25)
Outside County Periodicals	Change-of-Address Credit Card	Express Mail & Priority Mail Contract 6
[Reserved for Product Description]	Authentication	(MC2009–31 and CP2009–42)
Package Services	[Reserved for Product Description]	Express Mail & Priority Mail Contract 7
[Reserved for Class Description]	Confirm	(MC2009–32 and CP2009–43)
Single-Piece Parcel Post	[Reserved for Product Description]	Express Mail & Priority Mail Contract 8
[Reserved for Product Description]	International Reply Coupon Service	(MC2009–33 and CP2009–44)
Inbound Surface Parcel Post (at UPU rates)	[Reserved for Product Description]	Parcel Return Service Contract 1 (MC2009–
[Reserved for Product Description]	International Business Reply Mail Service	1 and CP2009–2)
Bound Printed Matter Flats	[Reserved for Product Description]	Priority Mail Contract 1 (MC2008–8 and
[Reserved for Product Description]	Money Orders	CP2008–26)
Bound Printed Matter Parcels	[Reserved for Product Description]	Priority Mail Contract 2 (MC2009–2 and
[Reserved for Product Description]	Post Office Box Service	CP2009–3)
Media Mail/Library Mail	[Reserved for Product Description]	Priority Mail Contract 3 (MC2009–4 and
[Reserved for Product Description]	Negotiated Service Agreements	CP2009–5)
Special Services	[Reserved for Class Description]	Priority Mail Contract 4 (MC2009–5 and
[Reserved for Class Description]	HSBC North America Holdings Inc.	CP2009–6)
Ancillary Services	Negotiated Service Agreement	Priority Mail Contract 5 (MC2009–21 and
[Reserved for Product Description]	[Reserved for Product Description]	CP2009–26)
Address Correction Service	Bookspan Negotiated Service Agreement	Priority Mail Contract 6 (MC2009–25 and
[Reserved for Product Description]	[Reserved for Product Description]	CP2009–30)
Applications and Mailing Permits	Bank of America Corporation Negotiated	Priority Mail Contract 7 (MC2009–25 and
[Reserved for Product Description]	Service Agreement	CP2009–31)
Business Reply Mail	The Bradford Group Negotiated Service	Priority Mail Contract 8 (MC2009–25 and
[Reserved for Product Description]	Agreement	CP2009–32)
Bulk Parcel Return Service	Part B—Competitive Products	Priority Mail Contract 9 (MC2009–25 and
[Reserved for Product Description]	2000 Competitive Product List	CP2009–33)
Certified Mail	Express Mail	Priority Mail Contract 10 (MC2009–25 and
[Reserved for Product Description]	Express Mail	CP2009–34)
Certificate of Mailing	Outbound International Expedited Services	Priority Mail Contract 11 (MC2009–27 and
[Reserved for Product Description]	Inbound International Expedited Services	CP2009–37)
Collect on Delivery	Inbound International Expedited Services 1	Priority Mail Contract 12 (MC2009–28 and
[Reserved for Product Description]	(CP2008–7)	CP2009–38)
Delivery Confirmation	Inbound International Expedited Services 2	Priority Mail Contract 13 (MC2009–29 and
[Reserved for Product Description]	(MC2009–10 and CP2009–12)	CP2009–39)
Insurance	Priority Mail	Priority Mail Contract 14 (MC2009–30 and
[Reserved for Product Description]	Priority Mail	CP2009–40)
Merchandise Return Service	Outbound Priority Mail International	Outbound International
[Reserved for Product Description]	Inbound Air Parcel Post	Direct Entry Parcels Contracts
Parcel Airlift (PAL)	Royal Mail Group Inbound Air Parcel Post	Direct Entry Parcels 1 (MC2009–26 and
[Reserved for Product Description]	Agreement	CP2009–36)
Registered Mail	Parcel Select	Global Direct Contracts (MC2009–9,
[Reserved for Product Description]	Parcel Return Service	CP2009–10, and CP2009–11)
Return Receipt	International	Global Expedited Package Services (GEPS)
[Reserved for Product Description]	International Priority Airlift (IPA)	Contracts
Return Receipt for Merchandise	International Surface Airlift (ISAL)	GEPS 1 (CP2008–5, CP2008–11, CP2008–
[Reserved for Product Description]	International Direct Sacks—M—Bags	12, and CP2008–13, CP2008–18,
Restricted Delivery	Global Customized Shipping Services	CP2008–19, CP2008–20, CP2008–21,
[Reserved for Product Description]	Inbound Surface Parcel Post (at non-UPU	CP2008–22, CP2008–23, and CP2008–24)
Shipper-Paid Forwarding	rates)	Global Plus Contracts
[Reserved for Product Description]	Canada Post—United States Postal service	Global Plus 1 (CP2008–9 and CP2008–10)
Signature Confirmation	Contractual Bilateral Agreement for	Global Plus 2 (MC2008–7, CP2008–16 and
[Reserved for Product Description]	Inbound Competitive Services (MC2009–	CP2008–17)
Special Handling	8 and CP2009–9)	Inbound International
[Reserved for Product Description]	International Money Transfer Service	Inbound Direct Entry Contracts with
Stamped Envelopes	International Ancillary Services	Foreign Postal Administrations
[Reserved for Product Description]	Special Services	(MC2008–6, CP2008–14 and CP2008–15)
Stamped Cards	Premium Forwarding Service	International Business Reply Service
[Reserved for Product Description]	Negotiated Service Agreements	Competitive Contract 1 (MC2009–14 and
Premium Stamped Stationery	Domestic	CP2009–20)
[Reserved for Product Description]	Express Mail Contract 1 (MC2008–5)	Competitive Product Descriptions
Premium Stamped Cards	Express Mail Contract 2 (MC2009–3 and	Express Mail
[Reserved for Product Description]	CP2009–4)	[Reserved for Group Description]
International Ancillary Services	Express Mail Contract 3 (MC2009–15 and	Express Mail
[Reserved for Product Description]	CP2009–21)	[Reserved for Product Description]
International Certificate of Mailing	Express Mail Contract 4 (MC2009–34 and	Outbound International Expedited Services
[Reserved for Product Description]	CP2009–45)	[Reserved for Product Description]
International Registered Mail	Express Mail & Priority Mail Contract 1	Inbound International Expedited Services
[Reserved for Product Description]	(MC2009–6 and CP2009–7)	[Reserved for Product Description]
International Return Receipt	Express Mail & Priority Mail Contract 2	Priority
[Reserved for Product Description]	(MC2009–12 and CP2009–14)	[Reserved for Product Description]
International Restricted Delivery	Express Mail & Priority Mail Contract 3	Priority Mail
[Reserved for Product Description]	(MC2009–13 and CP2009–17)	[Reserved for Product Description]

Outbound Priority Mail International
 [Reserved for Product Description]
 Inbound Air Parcel Post
 [Reserved for Product Description]
 Parcel Select
 [Reserved for Group Description]
 Parcel Return Service
 [Reserved for Group Description]
 International
 [Reserved for Group Description]
 International Priority Airlift (IPA)
 [Reserved for Product Description]
 International Surface Airlift (ISAL)
 [Reserved for Product Description]
 International Direct Sacks—M—Bags
 [Reserved for Product Description]
 Global Customized Shipping Services
 [Reserved for Product Description]
 International Money Transfer Service
 [Reserved for Product Description]
 Inbound Surface Parcel Post (at non-UPU rates)
 [Reserved for Product Description]
 International Ancillary Services
 [Reserved for Product Description]
 International Certificate of Mailing
 [Reserved for Product Description]
 International Registered Mail
 [Reserved for Product Description]
 International Return Receipt
 [Reserved for Product Description]
 International Restricted Delivery
 [Reserved for Product Description]
 International Insurance
 [Reserved for Product Description]
 Negotiated Service Agreements
 [Reserved for Group Description]
 Domestic
 [Reserved for Product Description]
 Outbound International
 [Reserved for Group Description]

Part C—Glossary of Terms and Conditions
 [Reserved]

Part D—Country Price Lists for International Mail [Reserved]

[FR Doc. E9–19366 Filed 8–13–09; 8:45 am]

BILLING CODE 7710–FW–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 64

[Docket ID FEMA–2008–0020; Internal Agency Docket No. FEMA–8087]

Suspension of Community Eligibility

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Final rule.

SUMMARY: This rule identifies communities, where the sale of flood insurance has been authorized under the National Flood Insurance Program (NFIP), that are scheduled for suspension on the effective dates listed within this rule because of

noncompliance with the floodplain management requirements of the program. If the Federal Emergency Management Agency (FEMA) receives documentation that the community has adopted the required floodplain management measures prior to the effective suspension date given in this rule, the suspension will not occur and a notice of this will be provided by publication in the **Federal Register** on a subsequent date.

DATES: Effective Dates: The effective date of each community's scheduled suspension is the third date (“Susp.”) listed in the third column of the following tables.

FOR FURTHER INFORMATION CONTACT: If you want to determine whether a particular community was suspended on the suspension date or for further information, contact David Stearrett, Mitigation Directorate, Federal Emergency Management Agency, 500 C Street, SW., Washington, DC 20472, (202) 646–2953.

SUPPLEMENTARY INFORMATION: The NFIP enables property owners to purchase flood insurance which is generally not otherwise available. In return, communities agree to adopt and administer local floodplain management aimed at protecting lives and new construction from future flooding. Section 1315 of the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4022, prohibits flood insurance coverage as authorized under the NFIP, 42 U.S.C. 4001 *et seq.*; unless an appropriate public body adopts adequate floodplain management measures with effective enforcement measures. The communities listed in this document no longer meet that statutory requirement for compliance with program regulations, 44 CFR part 59. Accordingly, the communities will be suspended on the effective date in the third column. As of that date, flood insurance will no longer be available in the community. However, some of these communities may adopt and submit the required documentation of legally enforceable floodplain management measures after this rule is published but prior to the actual suspension date. These communities will not be suspended and will continue their eligibility for the sale of insurance. A notice withdrawing the suspension of the communities will be published in the **Federal Register**.

In addition, FEMA has identified the Special Flood Hazard Areas (SFHAs) in these communities by publishing a Flood Insurance Rate Map (FIRM). The date of the FIRM, if one has been published, is indicated in the fourth

column of the table. No direct Federal financial assistance (except assistance pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act not in connection with a flood) may legally be provided for construction or acquisition of buildings in identified SFHAs for communities not participating in the NFIP and identified for more than a year, on FEMA's initial flood insurance map of the community as having flood-prone areas (section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4106(a), as amended). This prohibition against certain types of Federal assistance becomes effective for the communities listed on the date shown in the last column. The Administrator finds that notice and public comment under 5 U.S.C. 553(b) are impracticable and unnecessary because communities listed in this final rule have been adequately notified.

Each community receives 6-month, 90-day, and 30-day notification letters addressed to the Chief Executive Officer stating that the community will be suspended unless the required floodplain management measures are met prior to the effective suspension date. Since these notifications were made, this final rule may take effect within less than 30 days.

National Environmental Policy Act. This rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Considerations. No environmental impact assessment has been prepared.

Regulatory Flexibility Act. The Administrator has determined that this rule is exempt from the requirements of the Regulatory Flexibility Act because the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4022, prohibits flood insurance coverage unless an appropriate public body adopts adequate floodplain management measures with effective enforcement measures. The communities listed no longer comply with the statutory requirements, and after the effective date, flood insurance will no longer be available in the communities unless remedial action takes place.

Regulatory Classification. This final rule is not a significant regulatory action under the criteria of section 3(f) of Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735.

Executive Order 13132, Federalism. This rule involves no policies that have federalism implications under Executive Order 13132.

Executive Order 12988, Civil Justice Reform. This rule meets the applicable standards of Executive Order 12988.