POSTAL REGULATORY COMMISSION

39 CFR Part 3020

[Docket Nos. MC2010-1 and CP2010-1; Order No. 323]

New Postal Product

AGENCY: Postal Regulatory Commission. **ACTION:** Final rule.

SUMMARY: The Commission is adding Priority Mail Contract 19 to the Competitive Product List. 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 new requirements in the law.

DATES: Effective November 2, 2009 and is applicable beginning October 26, 2009.

FOR FURTHER INFORMATION CONTACT:

Stephen L. Sharfman, General Counsel, 202–789–6820 or stephen.sharfman@prc.gov.

SUPPLEMENTARY INFORMATION:

Regulatory History, 74 FR 54108 (October 21, 2009).

I. Introduction II. Background III. Comments IV. Commission Analysis V. Ordering Paragraphs

I. Introduction

The Postal Service seeks to add a new product identified as Priority Mail Contract 19 to the Competitive Product List. For the reasons discussed below, the Commission approves the Request.

II. Background

On October 13, 2009, the Postal Service filed a formal request pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 et seq. to add Priority Mail Contract 19 to the Competitive Product List.¹ The Postal Service asserts that the Priority Mail Contract 19 product is a competitive product "not of general applicability" within the meaning of 39 U.S.C. 3632(b)(3). This Request has been assigned Docket No. MC2010–1.

The Postal Service contemporaneously filed a contract related to the proposed new product pursuant to 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. The contract has been assigned Docket No. CP2010–1.

In support of its Request, the Postal Service filed the following materials: (1) A redacted version of the Governors Decision, originally filed in Docket No. MC2009-25, authorizing the Priority Mail Contract Group; 2 (2) a redacted version of the contract; 3 (3) a requested change in the Mail Classification Schedule product list; 4 (4) a Statement of Supporting Justification as required by 39 CFR 3020.32; 5 (5) a certification of compliance with 39 U.S.C. 3633(a); 6 and (6) an application for non-public treatment of the materials filed under seal.7 The redacted version of the contract provides that the contract is terminable on 30 days' notice by either party, but could continue for 3 years from the effective date subject to annual price adjustments. Request, Attachment

In the Statement of Supporting Justification, Mary Prince Anderson, Acting Manager, Sales and Communications, Expedited Shipping, asserts that the service to be provided under the contract will cover its attributable costs, make a positive contribution to coverage of institutional costs, and will increase contribution toward the requisite 5.5 percent of the Postal Service's total institutional costs. Request, Attachment D, at 1. W. Ashley Lyons, Manager, Regulatory Reporting and Cost Analysis, Finance Department, certifies that the contract complies with 39 U.S.C. 3633(a). Id., Attachment E.

The Postal Service filed much of the supporting materials, including the supporting data and the unredacted contract, under seal. The Postal Service maintains that the contract and related financial information, including the customer's name and the accompanying analyses that provide prices, certain terms and conditions, and financial projections, should remain confidential. *Id.*, Attachment F at 2–3.

In Order No. 313, the Commission gave notice of the two dockets, appointed a public representative, and provided the public with an opportunity to comment.⁸

III. Comments

Comments were filed by the Public Representative.⁹ No comments were

submitted by other interested parties. The Public Representative states that the Postal Service's filing comports with title 39 and the relevant Commission rules. Public Representative Comments at 1, 3. He further states that the agreement employs pricing terms favorable to the customer, the Postal Service, and thereby, the public. *Id.* at 3–4. The Public Representative also believes that the Postal Service has provided appropriate justification for maintaining confidentiality in this case. *Id.* at 3.

IV. Commission Analysis

The Commission has reviewed the Request, the contract, the financial analysis provided under seal that accompanies it, and the comments filed by the Public Representative.

Statutory requirements. The Commission's statutory responsibilities in this instance entail assigning Priority Mail Contract 19 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 the Postal Accountability and Enhancement Act (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 Priority Mail Contract 19 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 consists 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).

Mail Contract 19 Negotiated Service Agreement to the Competitive Product List, October 23, 2009 (Public Representative Comments). The Public Representative also filed a Motion of the Public Representative for Late Acceptance of Comments in Response to United States Postal Service Request to Add Priority Mail Contract 19 to the Competitive Product List, October 23, 2009. That motion is granted.

¹ Request of the United States Postal Service to Add Priority Mail Contract 19 to Competitive Product List and Notice of Filing (Under Seal) of Contract and Supporting Data, October 13, 2009 (Request). The Postal Service filed an errata to the supporting data on October 15, 2009. Errata to Supporting Data, October 15, 2009.

² Attachment A to the Request, reflecting Governors' Decision No. 09–6, April 27, 2009.

³ Attachment B to the Request.

⁴ Attachment C to the Request.

 $^{^{\}rm 5}\,Attachment$ D to the Request.

⁶ Attachment E to the Request.

⁷ Attachment F to the Request.

⁸ PRC Order No. 313, Notice and Order Concerning Priority Mail Contract 19 Negotiated Service Agreement, October 15, 2009 (Order No. 313).

⁹ Public Representative Comments in Response to United States Postal Service Request to Add Priority

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 without the risk of losing volume to private companies. Request, Attachment D, para. (d). The Postal Service also contends that it may not decrease quality or output without risking the loss of business to competitors that offer similar expedited delivery services. Id. It further states that the contract partner supports the addition of the contract to the Competitive Product List to effectuate the negotiated contractual terms. Id., para. (g). Finally, the Postal Service states that the market for expedited delivery services is highly competitive and requires a substantial infrastructure to support a national network. It indicates that large carriers serve this market. Accordingly, the Postal Service states that it is unaware of any small business concerns that could offer comparable service for this customer. Id., para. (h).

No commenter opposes the proposed classification of Priority Mail Contract 19 as competitive. Having considered the statutory requirements and the support offered by the Postal Service, the Commission finds that Priority Mail Contract 19 is appropriately classified as a competitive product and should be added to the Competitive Product List.

Cost considerations. The Postal Service presents a financial analysis showing that Priority Mail Contract 19 results in cost savings while ensuring that the contract covers its attributable costs, does not result in subsidization of competitive products by market dominant products, and increases contribution from competitive products.

Based on the data submitted, the Commission finds that Priority Mail Contract 19 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 proposed Priority Mail Contract 19 indicates that it comports with the provisions applicable to rates for competitive products.

Application for non-public treatment. The Commission has repeatedly held that applications for non-public treatment for an indefinite time period are premature finding that if the need for non-public treatment remains well into the future due to ongoing business relationships, the Postal Service may submit a motion to the Commission to

extend the duration at the appropriate time. 10 Nonetheless, the Postal Service continues to request indefinite nonpublic treatment of materials. 11 The Commission finds its prior rulings on this topic to be clear and sufficiently precedential to avoid the necessity of continually ruling on this issue in every case. Accordingly, if the Postal Service continues its requests for indefinite nonpublic treatment of materials in the future, the Commission's silence on that matter (or any similar request to deviate from the default rules) shall not be deemed to be a ruling on the merits.

Other considerations. The Postal Service shall notify the Commission if termination occurs prior to the scheduled termination date. Following the scheduled termination date of the agreement, the Commission will remove the product from the Competitive Product List.

In conclusion, the Commission approves Priority Mail Contract 19 as a new product. 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. Priority Mail Contract 19 (MC2010–1 and CP2010–1) is added to the Competitive Product List as a new product under Negotiated Service Agreements, Domestic.
- 2. The Postal Service shall notify the Commission if termination occurs prior to the scheduled termination date.
- 3. 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.

By the Commission.

Shoshana M. Grove,

Secretary.

■ For the reasons discussed in the preamble, the Postal Regulatory Commission amends chapter III of title 39 of the Code of Federal Regulations 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

1,000 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 (NFMs)/Parcels Periodicals

eriodicals

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

¹⁰ See, e.g., Docket No. MC2009–40, Order Concerning Parcel Select & Parcel Return Service Contract 2 Negotiated Service Agreement, September 4, 2009, at 7; Docket No. MC2009–42, Order Concerning Priority Mail Contract 18 Negotiated Service Agreement, September 28, 2009, at 7; Docket No. N2009–1, P.O. Ruling N2009–1/8, September 25, 2009, at 4.

¹¹ See e.g., Request, Attachment F, at 1, 7; Docket No. CP2009–64, Notice of United States Postal Service Filing of Functionally Equivalent Global Expedited Package Services 2 Negotiated Service Agreement and Application for Non-public Treatment of Materials Filed Under Seal, September 15, 2009; Docket No. CP2009–66, Notice of United States Postal Service Filing of Functionally Equivalent Global Expedited Package Services 2 Negotiated Service Agreement and Application for Non-public Treatment of Materials Filed Under Seal, September 25, 2009; and Docket No. N2009–1, Notice of United States Postal Service Filing of Library Reference N2009–1/17 and Application for Non-public Status, September 29, 2009.

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] [Reserved for Product Description] Not Flat-Machinables (NFMs)/Parcels [Reserved for Product Description] Periodicals [Reserved for Class Description] Within County Periodicals [Reserved for Product Description] **Outside County Periodicals** [Reserved for Product Description] Package Services [Reserved for Class Description] Single-Piece Parcel Post [Reserved for Product Description] Inbound Surface Parcel Post (at UPU rates) [Reserved for Product Description] Bound Printed Matter Flats [Reserved for Product Description] Bound Printed Matter Parcels [Reserved for Product Description] Media Mail/Library Mail [Reserved for Product Description] Special Services [Reserved for Class Description] Ancillary Services [Reserved for Product Description] Address Correction Service [Reserved for Product Description] Applications and Mailing Permits [Reserved for Product Description] Business Reply Mail [Reserved for Product Description] Bulk Parcel Return Service [Reserved for Product Description] Certified Mail [Reserved for Product Description] Certificate of Mailing [Reserved for Product Description] Collect on Delivery [Reserved for Product Description] Delivery Confirmation [Reserved for Product Description] Insurance [Reserved for Product Description] Merchandise Return Service [Reserved for Product Description] Parcel Airlift (PAL) [Reserved for Product Description] Registered Mail

[Reserved for Product Description]

Return Receipt [Reserved for Product Description] Return Receipt for Merchandise [Reserved for Product Description] Restricted Delivery [Reserved for Product Description] Shipper-Paid Forwarding [Reserved for Product Description] Signature Confirmation [Reserved for Product Description] Special Handling [Reserved for Product Description] Stamped Envelopes [Reserved for Product Description] Stamped Cards [Reserved for Product Description] Premium Stamped Stationery [Reserved for Product Description] Premium Stamped Cards [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] Address List Services [Reserved for Product Description] Caller Service [Reserved for Product Description] Change-of-Address Credit Card Authentication [Reserved for Product Description] Confirm [Reserved for Product Description] International Reply Coupon Service [Reserved for Product Description] International Business Reply Mail Service [Reserved for Product Description] Money Orders [Reserved for Product Description] Post Office Box Service [Reserved for Product Description] Negotiated Service Agreements [Reserved for Class Description] HSBC North America Holdings Inc. Negotiated Service Agreement [Reserved for Product Description] Bookspan Negotiated Service Agreement [Reserved for Product Description] Bank of America Corporation Negotiated Service Agreement The Bradford Group Negotiated Service Agreement Part B—Competitive Products 2,000 Competitive Product List Express Mail Express Mail Outbound International Expedited Services Inbound International Expedited Services Inbound International Expedited Services 1 (CP2008-7) Inbound International Expedited Services 2 (MC2009-10 and CP2009-12) Priority Mail Priority Mail Outbound Priority Mail International Inbound Air Parcel Post

Royal Mail Group Inbound Air Parcel Post

Agreement

Parcel Select

International International Priority Airlift (IPA) International Surface Airlift (ISAL) International Direct Sacks—M-Bags Global Customized Shipping Services Inbound Surface Parcel Post (at non-UPU rates) Canada Post—United States Postal Service Contractual Bilateral Agreement for Inbound Competitive Services (MC2009-8 and CP2009-9) International Money Transfer Service International Ancillary Services Special Services Premium Forwarding Service Negotiated Service Agreements Domestic Express Mail Contract 1 (MC2008-5) Express Mail Contract 2 (MC2009-3 and ČP2009–4) Express Mail Contract 3 (MC2009-15 and CP2009-21) Express Mail Contract 4 (MC2009-34 and ČP2009-45) Express Mail & Priority Mail Contract 1 (MC2009–6 and CP2009–7) Express Mail & Priority Mail Contract 2 (MC2009-12 and CP2009-14) Express Mail & Priority Mail Contract 3 (MC2009-13 and CP2009-17) Express Mail & Priority Mail Contract 4 (MC2009–17 and CP2009–24) Express Mail & Priority Mail Contract 5 (MC2009-18 and CP2009-25) Express Mail & Priority Mail Contract 6 (MC2009-31 and CP2009-42) Express Mail & Priority Mail Contract 7 (MC2009-32 and CP2009-43) Express Mail & Priority Mail Contract 8 (MC2009–33 and CP2009–44) Parcel Select & Parcel Return Service Contract 1 (MC2009-11 and CP2009-13) Parcel Select & Parcel Return Service Contract 2 (MC2009-40 and CP2009-61) Parcel Return Service Contract 1 (MC2009-1 and CP2009-2) Priority Mail Contract 1 (MC2008-8 and CP2008-26) 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) Priority Mail Contract 14 (MC2009-30 and CP2009-40)

Priority Mail Contract 15 (MC2009-35 and

CP2009-54)

Parcel Return Service

Priority Mail Contract 16 (MC2009-36 and CP2009-55)

Priority Mail Contract 17 (MC2009-37 and CP2009-56)

Priority Mail Contract 18 (MC2009-42 and CP2009-63)

Priority Mail Contract 19 (MC2010-1 and CP2010-1)

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 Expedited Package Services 2 (CP2009-50)

Global Plus Contracts

Global Plus 1 (CP2008-8, CP2008-46 and CP2009-47)

Global Plus 2 (MC2008-7, CP2008-48 and CP2008-49)

Inbound International

Inbound Direct Entry Contracts with Foreign Postal Administrations

Inbound Direct Entry Contracts with Foreign Postal Administrations (MC2008-6, CP2008-14 and MC2008-

Inbound Direct Entry Contracts with Foreign Postal Administrations 1 (MC2008-6 and CP2009-62)

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. E9-26271 Filed 10-30-09; 8:45 am] BILLING CODE 7710-FW-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

42 CFR Part 34

[Docket No. CDC-2009-0003]

RIN 0920-AA26

Medical Examination of Aliens-Removal of Human Immunodeficiency Virus (HIV) Infection From Definition of **Communicable Disease of Public Health Significance**

AGENCY: Centers for Disease Control and Prevention (CDC), U.S. Department of Health and Human Services (HHS)

ACTION: Final rule.

SUMMARY: Through this final rule, the Centers for Disease Control and Prevention (CDC), within the U.S. Department of Health and Human Services (HHS), is amending its regulations to remove "Human Immunodeficiency Virus (HIV) infection" from the definition of communicable disease of public health significance and remove references to "HIV" from the scope of examinations for aliens.

Prior to this final rule, aliens with HIV infection were considered to have a communicable disease of public health significance and were thus inadmissible to the United States per the Immigration and Nationality Act (INA). While HIV infection is a serious health condition, it is not a communicable disease that is a significant public health risk for

introduction, transmission, and spread to the U.S. population through casual contact. As a result of this final rule, aliens will no longer be inadmissible into the United States based solely on the ground they are infected with HIV, and they will not be required to undergo HIV testing as part of the required medical examination for U.S. immigration.

DATES: This final rule is effective January 4, 2010.

FOR FURTHER INFORMATION CONTACT:

Stacy M. Howard, Division of Global Migration and Quarantine, Centers for Disease Control and Prevention, U.S. Department of Health and Human Services, 1600 Clifton Road, NE., MS E-03, Atlanta, Georgia 30333; telephone 404-498-1600.

SUPPLEMENTARY INFORMATION: The preamble to this final rule is organized as follows:

I. Legal Authority

II. Background

- A. Medical Examination and Inadmissibility
- B. Legislative and Regulatory History
- C. Classes of Immigrants for Whom the Regulation Applies

D. Global Context III. Summary of NPRM

- IV. Relation of this Final Rule to the July 2, 2009, Notice of Proposed Rulemaking
- V. Overview of Public Comments
 - A. Comments on Removing HIV Infection From the Definition of Communicable Disease of Public Health Significance
 - B. Comments on Removing HIV Testing From the Scope of Examinations
- C. Comments on the Economic Impact Analysis (EIA)
- 1. General Comments on the Cost Analysis
- 2. Comments on a Technical Review of the EIA
- D. Comments on Technical Correction VI. Conclusions and the Final Rule
- VII. Required Regulatory Analyses Under Executive Order 12866
 - A. Objectives and Basis for the Action
 - B. Alternatives
 - C. Baseline and Incremental Analysis
- D. Defining the Population Affected
- E. Analysis of Impacts
- 1. Potential Benefits
- 2. Impact on Health Care Expenditures
- 3. Comparison With Congressional Budget Office Analysis
- 4. Potential Fiscal Impacts
- 5. Onward Transmission
- F. Summary of Impacts
- G. Literature Cited

VIII. Final Regulatory Flexibility Analysis IX. Other Administrative Requirements

- A. The Unfunded Mandates Reform Act
- B. Executive Order 13045: Protection of Children From Environmental Health and Safety Risks
- C. Paperwork Reduction Act of 1995
- D. Environmental Assessment
- E. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments