

**List of Subjects in 21 CFR Part 558**

Animal drugs, Animal feeds.

■ Therefore, under the Federal Food, Drug, and Cosmetic Act and under the authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, 21 CFR part 558 is amended as follows:

**PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS**

■ 1. The authority citation for 21 CFR part 558 continues to read as follows:

**Authority:** 21 U.S.C. 360b, 371.

■ 2. In § 558.500, in paragraph (e)(2), in the heading of the first table column,

remove “Ractopame” and in its place add “Ractopamine”; and add paragraph (e)(2)(xi) to read as follows:

**§ 558.500 Ractopamine.**

\* \* \* \* \*

(e) \* \* \*

(2) *Cattle*—

| Ractopamine in grams/ton                                  | Combination in grams/ton | Indications for use                                                                 | Limitations                                         | Sponsor |
|-----------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------|---------|
| *                                                         | *                        | *                                                                                   | *                                                   | *       |
| (xi) Not to exceed 800; to provide 70 to 400 mg/head/day. |                          | Cattle fed in confinement for slaughter: As in paragraph (e)(2)(i) of this section. | Top dress in a minimum of 1.0 lb of medicated feed. | 000986  |
| *                                                         | *                        | *                                                                                   | *                                                   | *       |

\* \* \* \* \*

Dated: December 31, 2009.

**Bernadette Dunham,**  
Director, Center for Veterinary Medicine.

[FR Doc. 2010-208 Filed 1-8-10; 8:45 am]

**BILLING CODE 4160-01-S**

**DEPARTMENT OF THE INTERIOR**

**Minerals Management Service**

**30 CFR Part 250**

[Docket ID MMS-2007-OMM-0066]

RIN 1010-AD45

**Requirements for Subsurface Safety Valve Equipment**

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Final rule.

**SUMMARY:** The MMS is incorporating by reference the Eleventh Edition of the American Petroleum Institute’s Specification for Subsurface Safety Valve Equipment (API Spec 14A) into its regulations. The MMS is incorporating the Eleventh Edition of API Spec 14A because it updated the design validation and functional testing requirements, incorporated new design changes, and corrected ambiguous areas open to misinterpretation. These changes will ensure that lessees and operators use the best available and safest technologies while operating in the Outer Continental Shelf. The rule will also require that lessees and operators provide supporting design verification information for subsurface safety valves intended for use in high pressure high temperature environments.

**DATES:** *Effective Date:* This final rule is effective on February 10, 2010. The

incorporation by reference of the publication listed in the regulation is approved by the Director of the Federal Register as of February 10, 2010.

**FOR FURTHER INFORMATION CONTACT:** Wilbon Rhome, Office of Offshore Regulatory Programs, Regulations and Standards Branch at (703) 787-1587.

**SUPPLEMENTARY INFORMATION:** The MMS uses standards, specifications, and recommended practices developed by standard-setting organizations and the oil and gas industry as a means of establishing requirements for activities on the OCS. This practice, known as incorporation by reference, allows us to incorporate the provisions of technical standards into the regulations. The legal effect of incorporation by reference is that the material is treated as if the entire document were published in the **Federal Register**. This material, like any other properly issued regulation, then has the force and effect of law. We hold operators/lessees accountable for complying with the documents incorporated by reference in our regulations. We currently incorporate by reference 97 private sector consensus standards into the offshore operating regulations. The regulations at 1 CFR part 51 govern how we and other Federal agencies incorporate various documents by reference. Agencies may only incorporate a document by reference by publishing the document title and affirmation/reaffirmation date in the **Federal Register**. Agencies must also gain approval from the Director of the **Federal Register** for each publication incorporated by reference. Incorporation by reference of a document or publication is limited to the specific edition, supplement, or addendum cited in the regulations.

This rule adds the following API document to those currently

incorporated by reference in MMS regulations:

*ANSI/API Specification 14A, Specification for Subsurface Safety Valve Equipment, Eleventh Edition, October 2005, Effective Date: May 1, 2006; also available as ISO 10432: 2004, Product No. GX14A11.*

The MMS has reviewed this document and determined that incorporating it into regulations ensures that industry uses the best available and safest technologies for downhole safety valves.

This final rule updates the requirements for subsurface safety valves operating in high pressure, high temperature (HPHT) environments in 30 CFR part 250 Subpart A—General and Subpart H—Oil and Gas Production Safety Systems. Subpart A is amended to incorporate by reference *ANSI/API Specification 14A, Specification for Subsurface Safety Valve (SSSV) Equipment*. The MMS is also adding a new section (30 CFR 250.807) to Subpart H that identifies additional safety valve information requirements for HPHT environments.

The Eleventh Edition of API Spec. 14A contains significant technological and design changes that will increase the safety of downhole operations in the Outer Continental Shelf (OCS). The updated API Spec. 14A is an improvement over the current API Spec. 14A, Tenth Edition, incorporated in the regulations because it does the following:

- Strengthens the guidelines for preparation of a functional specification by the user/purchaser to submit to the manufacturer/supplier when ordering equipment addressed by this standard. Functional characteristics in the specification must include, but are not limited to, well parameters, operational parameters, environmental

compatibility, and compatibility with related well equipment.

- Adds new design verification and validation guidelines.
- Clarifies procedures in areas such as design methodology and verification.
- Introduces state-of-the-art technological advances to improve downhole performance.

*Comments on the proposed rule:* On June 12, 2008, MMS published a rule proposing to incorporate the Eleventh Edition of API Spec 14A and to add a new section to the regulations identifying additional safety valve information requirements for HPHT conditions (73 FR 33333). The public comment period ended on August 11, 2008. The MMS received only two comments on the proposed rule; one comment was received from Baker Oil Tools and the other comment was received from the Offshore Operators Committee (OOC). You may view these comments on MMS's Web site at: <http://www.mms.gov/federalregister/PublicComments/AD45ReqSubsurfaceSafetyValveEquip.htm>.

#### Discussion of Comments

*Comment:* Baker Oil Tools (Baker) supports MMS's proposal to incorporate API Spec 14A into the regulations. The comment stated that Baker supports the proposal to revise 30 CFR § 250.806 to accept the Eleventh Edition of API Spec 14A (and its specified functional test provisions) for safety valves in use in OCS waters. Baker also supports the proposal to require that Operators provide new information when submitting an Application for Permit to Drill (APD), an Application for Permit to Modify (APM), or a Deepwater Operations Plan (DWOP) that demonstrates the SSSV and related equipment are fit-for-service for performing in HPHT environments. Baker believes that the current design verification and validation activities specified in the Eleventh Edition of API Spec 14A, which has been in effect since May 1, 2006, have and will continue to reasonably ensure that products are fit-for-service in all pressure and temperature environments.

*Response:* The MMS fully agrees with the comment by Baker supporting the incorporation of API Spec 14A and the requirement for new information that demonstrates the SSSV is fit-for-service.

*Comment:* The Offshore Operators Committee (OOC) wanted MMS to delete or clarify HPHT condition No. 1 in § 250.807. Additional requirements for subsurface safety valves installed in HPHT. The OOC stated that condition No. 1, which describes the "HPHT

environment," is confusing as it is currently worded. The commenter asked what does condition No. 1 cover that environment condition No. 2 does not already cover? The OOC further stated that basing the rule on "HPHT environment" (defined as the pressures and temperatures at the wellhead whether a surface wellhead or subsea wellhead) is not necessarily appropriate for the "related" equipment, including the SSSV. The OOC suggested that it will be more appropriate to define "HPHT environment" by the anticipated worst case service conditions at each piece of related equipment. When the significant physical distance between the related equipment and the wellhead is combined with the anticipated fluid gradients and temperature gradients, it can result in conditions that push related equipment into greater than 15,000 pounds per square inch gauge (psig), or greater than 350 degrees Fahrenheit—conditions in wells that may not be considered an HPHT environment by the current wording. Wells/environments that will not fall into the categorization of HPHT, as the rule is currently drafted, could actually need related equipment that is greater than 15,000 psig, or 350 degrees Fahrenheit rated working pressure. As written, the rule could be interpreted such that, in these applications, it will not be necessary for operators to supply supporting design verification for this related equipment (greater than 15,000 psig, or 350 degrees Fahrenheit rated working pressure equipment), unless the pressures or temperatures at the wellhead are deemed to be an HPHT environment. If it is intended that operators planning to use related equipment greater than 15,000 psig, or 350 degrees Fahrenheit working pressure provide design verification, then this should be clearly conveyed.

*Response:* The MMS revised the language in § 250.807 based on OOC's comment to add clarity and specificity to condition No. 1 that describes the "HPHT environment."

#### Final Rule Requirements

The new § 250.807 provisions will require the lessee or operator to provide additional information when SSSVs and related equipment are intended to be installed in an HPHT environment. The lessee or operator will be required to include such information in an APD, APM, or DWOP and must demonstrate that the SSSV and related equipment are fit-for-service for performing in HPHT environments. For the purpose of this rulemaking, HPHT exists in any of the following conditions:

1. The completion of the well requires completion equipment or well control equipment with a pressure rating greater than 15,000 psig or a temperature rating greater than 350 degrees Fahrenheit;

2. The maximum anticipated surface pressure or shut-in tubing pressure is greater than 15,000 psig on the seafloor for a well with a subsea wellhead or at the surface for a well with a surface wellhead; or

3. The flowing temperature is equal to or greater than 350 degrees Fahrenheit on the seafloor for a well with a subsea wellhead or the surface for a well with a surface wellhead.

Related equipment refers to wellheads, tubing heads, tubulars, packers, threaded connections, seals, seal assemblies, production trees, equipment associated with coiled tubing, snubbing, operations, chokes, well control equipment, and any other equipment that will be exposed to rated working pressures greater than 15,000 psig or temperatures greater than 350 degrees Fahrenheit.

#### Procedural Matters

##### *Regulatory Planning and Review* (Executive Order (E.O.) 12866)

This final rule is not a significant rule and is not subject to review by the Office of Management and Budget (OMB) under E.O. 12866.

(1) The final rule will not have an annual effect of \$100 million or more on the economy. It will not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. The primary purpose of this final rule is to establish minimum acceptable requirements for SSSVs. The requirements apply to SSSVs, as well as all components that establish tolerance and/or clearances that may affect performance or interchangeability of SSSVs. This rule also will set minimum requirements for SSSVs and related equipment to conform to international standards. Finally, this rule will establish minimum fitness-for-service criteria for HPHT equipment operating over 15,000 psig or 350 degrees Fahrenheit and will require lessees and operators to provide information that demonstrates to the MMS that their SSSVs are properly designed to operate in HPHT environments.

The oil and gas industry took the lead in revising API Spec 14A, Eleventh Edition. The industry and API have encouraged the promulgation of the final rule incorporating API Spec 14A. The API Spec 14A standard is now accepted as an industry standard both

domestically and internationally; consequently, the impact of this final rule on the oil and gas industry is expected to be negligible.

The impact of the new requirements of § 250.807 will also be negligible. A review of drilling activity indicates that, if the current trend continues, there may not be any HPHT wells that exceed 15,000 psig at the wellhead drilled and completed in the next 3 years. However, there is activity in the Mobile Bay region and in the western Gulf of Mexico where the working environment for SSSVs and related equipment may reach over 350 degrees Fahrenheit, flowing tubing temperature. The MMS estimates that a maximum of 20 APDs or APMs that could be subject to the final rule may be submitted by lessees or operators over the next 3 years. These submittals will be required to provide additional information on SSSVs and related equipment for wells to be drilled and completed that may be classified as HPHT completions.

Section 250.807 will require lessees and operators to provide supporting design verification information. This is the kind of information that a prudent operator should have available for operating in HPHT environments. Companies will be required to gather and present well data that should be readily available if requested by MMS for review. We estimate that the hourly burden to produce this data will be approximately 40 hours for each well at an hourly rate of \$100 per hour, totaling \$4,000 per well (40 hours × \$100 per hour × 1 well = \$4,000).

The estimated cost to industry over the next 3 years, based on the high estimate of 20 APDs or APMs per year, will be approximately \$80,000 (\$4,000 per well × 20 wells = \$80,000). This additional cost associated with implementing these new requirements will be negligible in relation to the overall cost of offshore oil and gas production. Additional costs could be incurred if a lessee engages an independent consultant to prepare the fitness-for-service report for the application to install SSSVs and related equipment in an HPHT environment with readily available information. However, these costs are very small when compared to the cost of drilling a well in an HPHT environment, which can cost over \$150 million.

(2) The final rule will not create a serious inconsistency or otherwise interfere with action taken or planned by another agency.

(3) This final rule will not alter the budgetary effects of entitlements, grants, user fees, or loan programs or the rights or obligations of their recipients.

(4) This final rule will not raise novel legal or policy issues. The final rule simply seeks to improve MMS safety regulations by updating them with improved oil and gas industry standards and requires lessees and operators to demonstrate that SSSVs and related equipment are fit-for-service in HPHT environments.

#### Regulatory Flexibility Act

The Department of the Interior certifies that this final rule will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

The new API Spec 14A will affect lessees and operators of oil and gas leases in the OCS. This includes approximately 130 active Federal oil and gas lessees. Lessees that conduct business under this rule are coded under the Small Business Administration's (SBA) North American Industry Classification System (NAICS) codes 211111, Crude Petroleum and Natural Gas Extraction, and 213111, Drilling Oil and Gas Wells. For these NAICS code classifications, a small company is defined as one with fewer than 500 employees. Based on this criterion, an estimated 70 percent of these companies are considered small. Therefore, this final rule will affect a substantial number of small entities. This final rule will not, however, have a significant economic effect on a substantial number of small companies because the revised API Spec 14A will not impose significant costs or burdens on any lessees or operators.

With respect to the new § 250.807, the MMS has determined that it is unlikely that a substantial number of small companies are currently involved with HPHT wells in the OCS due to the expense and the advanced technical expertise needed for drilling, completing, and producing HPHT wells. Because very few, if any, small companies will be involved in the activities that will require compliance with these additional requirements for HPHT wells, the costs of the additional requirements will not have a significant economic effect on a substantial number of small companies. Furthermore, as mentioned previously, the costs of complying with these final requirements are very small when compared to the cost of drilling an HPHT well, which can cost over \$150 million.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small business about Federal agency

enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of the MMS, call toll-free 1-888-734-3247. You may submit comments to the Small Business Administration without concern for retaliation. Allegations of discrimination/retaliation filed with the Small Business Administration will be investigated for appropriate action.

#### Small Business Regulatory Enforcement Fairness Act

The final rule is not a major rule under 5 U.S.C. 804(2) of the Small Business Regulatory Enforcement Fairness Act. This final rule:

a. Will not have an annual effect on the economy of \$100 million or more. The final rule will not impose any significant costs to lessees or operators. The main purpose of this rule is to update an industry standard that will ensure lessees use the best available and safest technologies for downhole safety valves. The costs associated with the final rule will involve the cost of the new document (API Spec 14A), and any cost associated with gathering and presenting the well data required by the new § 250.807 to MMS. As mentioned previously, the costs of complying with these requirements are very small when compared to the cost of drilling an HPHT well, which can cost over \$150 million.

b. Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions.

c. Will not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

#### Unfunded Mandates Reform Act of 1995

This final rule will not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. The final rule will not have a significant or unique effect on State, local, or tribal governments or the private sector. A statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1501 *et seq.*) is not required.

#### Takings Implication Assessment (E.O. 12630)

Under the criteria in E.O. 12630, this final rule does not have significant takings implications. The final rule is

not a governmental action capable of interference with constitutionally protected property rights. A Takings Implication Assessment is not required.

**Federalism (E.O. 13132)**

Under the criteria in E.O. 13132, this final rule does not have federalism implications. This final rule will not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in OCS activities, this final rule will not affect that role. A Federalism Assessment is not required.

**Civil Justice Reform (E.O. 12988)**

This rule complies with the requirements of E.O. 12988. Specifically, this rule:

- (a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and
- (b) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

**Consultation With Indian Tribes (E.O. 13175)**

Under the criteria in E.O. 13175, we have evaluated this final rule and determined that it has no substantial effects on federally recognized Indian tribes. There are no Indian or tribal lands in the OCS.

**Paperwork Reduction Act (PRA)**

The final revisions to 30 CFR 250, subpart H regulations (§ 250.807) will specify that lessees and operators must submit a detailed description in their APD, APM, or DWOP when SSSVs and related equipment are intended to perform in HPHT environments. The information that will be required by the final rule should be readily available since a prudent operator will already possess this information for daily operations. Lessees and operators must

then provide this existing information as part of their APD, APM, or DWOP submissions. The MMS has determined that the number of hours of paperwork burdens currently approved for preparation of APDs (3,135 annual burden hours) and APMs (9,900 annual burden hours) pursuant to the requirements set forth in 30 CFR 250, subpart D (OMB Control Number 1010-0141) and for DWOPs (51,000 annual burden hours) in 30 CFR 250, subpart B (OMB Control Number 1010-0151), are more than enough to accommodate this minor addition to existing submissions. Therefore, due to the fact that the burden hours are effectively included under currently approved OMB information collections, the final rule does not require a submission to OMB for review and approval under section 3507(d) of the PRA (44 USC 3501 *et seq.*).

The PRA provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information and assigns a control number, you are not required to respond. The OMB approved the referenced information collection requirements for 30 CFR 250, subparts B, D, and H under OMB Control Numbers 1010-0151 (321,817 hours; expiration 7/31/08), 1010-0141 (163,954 hours; expiration 8/31/08) and 1010-0059 (17,598 hours; expiration 2/28/09).

**National Environmental Policy Act of 1969**

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. The MMS has analyzed this final rule under the criteria of the National Environmental Policy Act and implementing regulations. This final rule meets the criteria set forth in 516 Departmental Manual 15.4(C)(1) for an MMS "Categorical Exclusion" in that its impacts are limited to administrative, economic, or technological effects.

Further, the MMS has analyzed this final rule to determine if it involves any of the extraordinary circumstances that would require an environmental impact assessment or an environmental impact statement as set forth in 43 CFR § 46.215 and concluded that it does not.

**Data Quality Act**

In developing this rule, we did not conduct or use a study, experiment, or survey requiring peer review under the Data Quality Act (Pub. L. 106-554, app. C § 515, 114 Stat. 2763, 2763A-153-154).

**Effects on the Energy Supply (E.O. 13211)**

This rule is not a significant energy action under the definition in E.O. 13211. A Statement of Energy Effects is not required.

**List of Subjects in 30 CFR Part 250**

Continental shelf, Environmental protection, Incorporation by reference, Public lands—mineral resources, Reporting and recordkeeping requirements.

Dated: December 24, 2009.

**Ned Farquhar,**

*Acting Assistant Secretary—Land and Minerals Management.*

■ For the reasons stated in the preamble, the Minerals Management Service (MMS) amends 30 CFR part 250 as follows:

**PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF**

■ 1. The authority citation for part 250 continues to read as follows:

**Authority:** 31 U.S.C. 9701, 43 U.S.C. 1334.

■ 2. In § 250.198(e), revise the entry for API Spec 14A to read as follows:

**§ 250.198 Documents incorporated by reference.**

- \* \* \* \* \*
- (e) \* \* \*

| Title of documents                                                                                                                                                                                         | Incorporated by reference at |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| * * * * *                                                                                                                                                                                                  |                              |
| ANSI/API Specification 14A, Specification for Subsurface Safety Valve Equipment, Eleventh Edition, October 2005, Effective Date: May 1, 2006; also available as ISO 10432: 2004, Product No. GX14A11 ..... | § 250.806(a)(3).             |
| * * * * *                                                                                                                                                                                                  |                              |

■ 3. In § 250.806, remove the last sentence in paragraph (a)(3), and add two sentences in its place to read as follows:

**§ 250.806 Safety and pollution prevention equipment quality assurance requirements.**

(a) \* \* \*

(3) \* \* \* All SSSVs must meet the technical specifications of API Specification 14A (incorporated by reference as specified in § 250.198). However, SSSVs and related equipment planned to be used in high pressure high temperature environments must meet the additional requirements set forth in § 250.807.

\* \* \* \* \*

■ 4. Redesignate § 250.807 as § 250.808.

■ 5. Add new § 250.807 to read as follows:

**§ 250.807 Additional requirements for subsurface safety valves and related equipment installed in high pressure high temperature (HPHT) environments.**

(a) If you plan to install SSSVs and related equipment in an HPHT environment, you must submit detailed information with your Application for Permit to Drill (APD), Application for Permit to Modify (APM), or Deepwater Operations Plan (DWOP) that demonstrates the SSSVs and related equipment are capable of performing in the applicable HPHT environment. Your detailed information must include the following:

(1) A discussion of the SSSVs' and related equipment's design verification analysis;

(2) A discussion of the SSSVs' and related equipment's design validation and functional testing process and procedures used; and

(3) An explanation of why the analysis, process, and procedures ensure that the SSSVs and related equipment are fit-for-service in the applicable HPHT environment.

(b) For this section, HPHT environment means when one or more of the following well conditions exist:

(1) The completion of the well requires completion equipment or well control equipment assigned a pressure rating greater than 15,000 psig or a temperature rating greater than 350 degrees Fahrenheit;

(2) The maximum anticipated surface pressure or shut-in tubing pressure is greater than 15,000 psig on the seafloor for a well with a subsea wellhead or at the surface for a well with a surface wellhead; or

(3) The flowing temperature is equal to or greater than 350 degrees Fahrenheit on the seafloor for a well

with a subsea wellhead or at the surface for a well with a surface wellhead.

(c) For this section, related equipment includes wellheads, tubing heads, tubulars, packers, threaded connections, seals, seal assemblies, production trees, chokes, well control equipment, and any other equipment that will be exposed to the HPHT environment.

[FR Doc. 2010-124 Filed 1-8-10; 8:45 am]

BILLING CODE 4310-MR-P

## POSTAL REGULATORY COMMISSION

### 39 CFR Part 3020

[Docket Nos. MC2010-6 and CP2010-6; Order No. 360]

#### New Postal Product

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission is adding Express Mail Contract 6 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 January 11, 2010 and is applicable beginning December 15, 2009.

**FOR FURTHER INFORMATION CONTACT:** Stephen L. Sharfman, General Counsel, 202-789-6820 or [stephen.sharfman@prc.gov](mailto:stephen.sharfman@prc.gov).

**SUPPLEMENTARY INFORMATION:** *Regulatory History*, 74 FR 57537 (November 6, 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 Express Mail Contract 6 to the Competitive Product List. For the reasons discussed below, the Commission approves the Request.

#### II. Background

At the end of October 2009, the Postal Service filed a formal request and associated supporting information pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.* to add Express Mail Contract 6 to the Competitive Product List.<sup>1</sup> The Postal Service asserts that the Express Mail Contract 6 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. MC2010-6.

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. CP2010-6.

In support of its Request, the Postal Service filed the following materials: (1) A redacted version of the Governors' Decision authorizing certain types of Express Mail contracts;<sup>2</sup> (2) a redacted version of the contract;<sup>3</sup> (3) a requested change in the Mail Classification Schedule product list;<sup>4</sup> (4) a Statement of Supporting Justification as required by 39 CFR 3020.32;<sup>5</sup> (5) a certification of compliance with 39 U.S.C. 3633(a);<sup>6</sup> and (6) an application for non-public treatment of the materials filed under seal.<sup>7</sup> 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 B.

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

<sup>1</sup> Request of the United States Postal Service to Add Express Mail Contract 6 to Competitive Product List and Notice of Filing (Under Seal) of Contract and Supporting Data, October 28, 2009 (Request). On October 29, 2009, the Postal Service filed errata to its Request. See Notice of the United States Postal Service of Filing Errata to Request and Notice, October 29, 2009. Accordingly, the filing of the entire set of documents related to this Request was not completed until October 29, 2009.

<sup>2</sup> Attachment A to the Request, reflecting Governors' Decision No. 09-14, October 26, 2009.

<sup>3</sup> Attachment B to the Request.

<sup>4</sup> Attachment C to the Request.

<sup>5</sup> Attachment D to the Request.

<sup>6</sup> Attachment E to the Request.

<sup>7</sup> Attachment F to the Request.