

The Postal Service filed many of the supporting materials, including the related model contract, under seal. *Id.* Attachment 1. It maintains that the redacted portions of the materials should remain confidential as sensitive business information. *Id.* at 4. This information includes sensitive commercial information concerning the incentive discounts and their formulation, applicable cost coverage, and non-published rates, as well as some customer-identifying information. *Id.*

II. Notice of Filing

The Commission establishes Docket No. CP2014–22 to consider the changes in rates not of general applicability pertaining to the proposed GEPS–NPR 4 Version 2 contract.

Interested persons may submit comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B. Comments are due no later than January 7, 2014. The public portions of these filings can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints Lyudmila Y. Bzhilyanskaya to serve as Public Representative in these dockets.

III. Request for Supplemental Information

The Postal Service is requested to (1) specify the date on which the GEPS–NPR 4 Version 2 rates are expected to go into effect; and (2) clarify whether the GEPS–NPR 4 Version 2 contract will replace the revised GEPS–NPR 4 contract approved in Order No. 1835. The Postal Service response is due no later than January 3, 2014.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. CP2014–22 to consider the matters raised by the Notice.

2. Pursuant to 39 U.S.C. 505, Lyudmila Y. Bzhilyanskaya is appointed to serve as officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.

3. Comments by interested persons in these proceedings are due no later than January 7, 2014.

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

By the Commission.

Shoshana M. Grove,
Secretary.

[FR Doc. 2013–31540 Filed 1–3–14; 8:45 am]

BILLING CODE 7710–FW–P

POSTAL REGULATORY COMMISSION

[Docket No. N2014–1; Order No. 1932]

Nationwide Change in Postal Delivery Service Standards

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recently-filed Postal Service request for an advisory opinion on an initiative involving examination of the continuation of service at postal retail locations. This document invites public comments on the request and addresses several related procedural steps.

DATES:

1. *Notices of intervention are due:* January 21, 2014, 4:30 p.m. Eastern Time.

2. *Hearing on the Postal Service's direct case:* February 11, 2014, at 9:00 a.m. (Commission hearing room, 901 New York Ave. NW., 20268–0001, Suite 200).

ADDRESSES: Submit notices of intervention electronically by accessing the “Filing Online” link in the banner at the top of the Commission's Web site (<http://www.prc.gov>) or by directly accessing the Commission's Filing Online system at <http://www.prc.gov/prc-pages/filing-online/login.aspx>. Persons interested in intervening who cannot submit their views electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section as the source for case-related information for advice on alternatives to electronic filing.

FOR FURTHER INFORMATION CONTACT:

Stephen L. Sharfman, General Counsel, at 202–789–6820 (case-related information) or DocketAdmins@prc.gov (electronic filing assistance).

SUPPLEMENTARY INFORMATION:

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- I. Introduction
- II. Request
- III. Further Procedures

I. Introduction

On December 27, 2013, the Postal Service filed a request pursuant to 39 U.S.C. 3661 for an advisory opinion from the Commission regarding potential changes in the manner in which it processes and dispatches Standard Mail that qualifies for a

Destination Sectional Center Facility (DSCF) discounted rate.¹ This operational change may result in a nationwide change in the nature of postal services since it would change the delivery day service standards for DSCF Standard Mail accepted on Fridays and Saturdays. DSCF Standard Mail entered Sunday through Thursday is not expected to change under the proposal. *Id.* at 5.

II. Request

The Postal Service explains that due to the relationship between mail entry patterns for DSCF Standard Mail and the applicable 3-day service standard, the Postal Service currently delivers a disproportionate amount of DSCF Standard Mail on Mondays. *Id.* at 1. The Postal Service's plan, called the “Load Leveling Plan,” is to more evenly distribute the volume of DSCF Standard Mail pieces delivered by carriers throughout the week. *Id.* at 1–2. The Load Leveling Plan would adjust operations in a manner that will level the load of the DSCF Standard Mail delivered throughout the week and remove the disproportionate burden associated with Monday Standard Mail delivery. *Id.* at 2.

In support of its Request, the Postal Service filed the direct testimony of two witnesses.² The testimonies describe the details of the Load Leveling Plan, including the basis for the plan, the process through which the plan was developed, and the future implementation of the plan. The testimony of witness Malone (USPS–T–1) describes the Postal Service's consultations with mailers regarding the load leveling issue and its collaboration with mailers in designing and conducting a test of the Load Leveling Plan in the service area of the South Jersey administrative district. Malone's testimony also summarizes the results of the South Jersey Operations Test and the Postal Service's expectations regarding a national roll-out of the Load Leveling Plan. The testimony of witness Anderson (USPS–T–2) offers observations about the effects of the South Jersey Operations Test and also discusses the expected impact that the Load Leveling Plan would have in the South Jersey District.

As part of its request, the Postal Service filed a notice of two Category 2

¹ United States Postal Service Request for an Advisory Opinion on Changes in the Nature of Postal Services, December 27, 2013 (Request).

² Direct Testimony of Linda M. Malone on Behalf of the United States Postal Service (USPS–T–1), December 27, 2013; and Direct Testimony of Mark H. Anderson on Behalf of the United States Postal Service (USPS–T–2), December 27, 2013.

library references regarding the South Jersey Operations Test.³

Timing. The earliest date that the Postal Service intends to make the changes discussed in this Request is March 27, 2014—90 days after the date of the filing. Request at 2.

Present distribution of DSCF Standard Mail and Proposed Changes. The Postal Service states that of the Standard Mail products, High Density and Saturation Letters, High Density and Saturation Flats/Parcels, Carrier Route, Letters, Flats, and Parcels are eligible for the DSCF rate, provided that the mail meets the standards for such a rate. *Id.* at 3. Currently, DSCF Standard Mail has a 3-day service standard. *Id.* Monday is the expected delivery date for the DSCF Standard Mail entered on Thursday and Friday, which happens to be two of the three heaviest days for acceptance of such mail. *Id.* at 4. DSCF Standard Mail has a significant impact on processing and delivery operations through which it passes. *Id.*

Summary of Load Leveling Plan. The Postal Service's Load Leveling Plan would change the delivery day for DSCF Standard Mail accepted on Fridays and Saturdays. *Id.* DSCF Standard Mail that is accepted before the Critical Entry Time (CET) on Friday is proposed to have a Tuesday delivery expectation, rather than Monday. *Id.* at 5. DSCF Standard Mail accepted before the CET on Saturday is proposed to have a Wednesday delivery expectation, rather than Tuesday. *Id.*

The Postal Service asserts that the South Jersey Operations Test results indicate load leveling will ease the burden currently placed on the network by the convergence of current mail entry patterns and applicable service standards and that the test resulted in additional benefits, including earlier completion of carrier routes, and earlier return of mail collected on carrier routes. *Id.* at 6.

Scope of Leveling Plan. The Postal Service intends to implement the Load Leveling Plan throughout its network. *Id.* at 6. As a result, Standard Mail pieces that qualify for a DSCF rate and are accepted after the CET on Thursday, anytime on Friday, or before the CET on Saturday at the proper DSCF, are proposed to have a 4-day service standard. *Id.* at 6–7. DSCF Standard Mail pieces that are accepted before the Critical Entry Time on Sunday through Thursday will not be affected by the Load Leveling Plan. The Postal Service

contends that no other Standard Mail will be affected. *Id.* at 7.

Conformance with Title 39. The Postal Service contends that for the reasons explained in the Request and illustrated in the testimony, the Load Leveling Plan will allow the Postal Service to increase efficiencies in the collection, processing, and delivery of the mail and to continue to provide adequate and efficient service to DSCF Standard Mail users. *Id.* The Postal Service believes that the Load Leveling Plan helps to fulfill its duty under 39 U.S.C. 403(a) to “plan, develop, promote, and provide adequate and efficient postal services at fair and reasonable rates and fees.” *Id.* It also contends that the Load Leveling Plan falls within the scope of its authority “to provide for the collection, handling, transportation, delivery, forwarding, returning, and holding of mail.” *Id.* at 8.

The Postal Service concludes that the Load Leveling Plan will help to “enhance the value of postal services to both senders and recipients” and “reasonably assure Postal Service customers delivery reliability, speed and frequency consistent with reasonable rates and best business practices,” as articulated in 39 U.S.C. 3691(b)(1)(A) and (C), respectively. *Id.* Last, the Postal Service has determined that it is necessary to take steps to level the load on the network now to help reduce current and future costs. *Id.* at 9.

Rules of Practice. The Postal Service notes there is an ongoing Commission rulemaking proceeding in Docket No. RM2012–4 regarding rules for revisions to the Commission's rules for advisory opinions.⁴ The Postal Service urges the Commission to establish special rules of practice to achieve an effective and efficient schedule for this docket to evaluate the procedures currently under consideration in Docket No. RM2012–4. Request at 9.

III. Further Procedures

Further procedures. 39 U.S.C. 3661(c) requires that the Commission afford an opportunity for a formal, on-the-record hearing of the Postal Service's Request under the terms specified in sections 556 and 557 of title 5 of the United States Code before issuing its advisory opinion. Based on its preliminary review of the Request, the Commission finds it appropriate to expedite the proceeding. To facilitate expeditious review of the matter, the Commission expects parties to make judicious use of discovery, discovery objections, and

Leveling Operations Test; and USPS–LR–N2014–1/2, Results of the South Jersey Destination SCF Standard Mail Load Leveling Operations Test, December 27, 2013.

motions' practice. Every effort should be made to confer to resolve disputes informally.

All interested persons are hereby notified that notices of intervention in this proceeding shall be due on or before January 21, 2014. See 39 CFR 3001.20 and 3001.20a. Consistent with rule 20, each person filing a notice of intervention shall, *inter alia*, specify the nature of his/her interest and whether or not he/she requests a hearing. See 39 CFR 3001.20. Discovery may be propounded upon filing a notice of intervention. Responses to discovery shall be due within 7 days.

The procedural schedule shown below the signature of this Order will be followed in this proceeding assuming that no participant desires to present rebuttal testimony. Participants who wish to present rebuttal testimony must notify the Commission of their intent to file, and the nature of their rebuttal, by February 11, 2014. Rebuttal testimony, if requested, will be due February 18, 2014. The balance of the procedural schedule will be revised accordingly.

Public Representative. Section 3661(c) of title 39 requires the participation of an “officer of the Commission who shall be required to represent the interests of the general public.” Pursuant to 39 U.S.C. 505, Anne J. Siarnacki is designated to serve as the Public Representative to represent the interests of the general public in this proceeding. Neither the Public Representative nor any additional persons assigned to assist the Public Representative shall participate in or advise as to any Commission decision in this proceeding, other than in their designated capacity.

It is ordered:

1. The Commission establishes Docket No. N2014–1 to consider the Postal Service Request referred to in the body of this Order.

2. The Commission will sit *en banc* in this proceeding.

3. The procedural schedule for this proceeding is set forth below the signature of this Order.

4. Pursuant to 39 U.S.C. 505, the Commission appoints Anne J. Siarnacki to represent the interests of the general public in this proceeding.

5. The Secretary shall arrange for publication of this Order in the **Federal Register**.

By the Commission.

Shoshana M. Grove,

Secretary.

⁴Docket No RM2014–4, Modern Rules of Procedure for the Issuance of Advisory Opinions in Nature of Service Proceedings, April 10, 2012.

³Notice of United States Postal Service of Filing Library References, December 27, 2013, USPS–LR–N2014–1/1, Standard Operating Procedures: South Jersey District Destination SCF Standard Mail Load

PROCEDURAL SCHEDULE

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|---|--------------------|
| Notices of intervention | January 21, 2014. |
| Close of discovery on Postal Service direct case | January 30, 2014. |
| Notice of intent to conduct oral cross-examination | February 3, 2014. |
| Hearing on the Postal Service's direct case (if requested) (9:00 AM in the Commission's hearing room) | February 11, 2014. |
| Notice of intent to file rebuttal testimony | February 11, 2014. |
| <i>Rebuttal Testimony (if requested)</i> | February 18, 2014. |
| Filing of Briefs (if no rebuttal testimony) | February 20, 2014. |
| Filing of Reply Briefs (if no rebuttal testimony) | February 27, 2014. |

[FR Doc. 2013-31510 Filed 1-3-14; 8:45 am]

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POSTAL REGULATORY COMMISSION

[Docket Nos. MC2014-15 and CP2014-24; Order No. 1939]

New Postal Product

AGENCY: Postal Regulatory Commission.
ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing requesting the addition of Priority Mail Contract 74 to the competitive product list. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* January 7, 2014.

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

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

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- II. Notice of Filings
- III. Ordering Paragraphs

I. Introduction

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the Postal Service filed a request and associated supporting information to add Priority Mail Contract 74 to the competitive product list.¹ The Postal Service asserts that Priority Mail Contract 74 is a competitive product "not of general applicability" within the meaning of 39

¹ Request of the United States Postal Service to Add Priority Mail Contract 74 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, December 27, 2013 (Request).

U.S.C. 3632(b)(3). Request at 1. The Request has been assigned Docket No. MC2014-15.

The Postal Service contemporaneously filed a redacted contract related to the proposed new product. *Id.* Attachment B. The instant contract has been assigned Docket No. CP2014-24.

Request. To support its Request, the Postal Service filed six attachments as follows:

- Attachment A—a redacted copy of Governors' Decision No. 11-6, authorizing the new product;
- Attachment B—a redacted copy of the contract;
- Attachment C—proposed changes to the Mail Classification Schedule competitive product list with the addition underlined;
- Attachment D—a Statement of Supporting Justification as required by 39 CFR 3020.32;
- Attachment E—a certification of compliance with 39 U.S.C. 3633(a); and
- Attachment F—an application for non-public treatment of materials to maintain redacted portions of the contract and related financial information under seal.

In the Statement of Supporting Justification, Dennis R. Nicoski, Manager, Field Sales Strategy and Contracts, asserts that the contract will cover its attributable costs and increase contribution toward the requisite 5.5 percent of the Postal Service's total institutional costs. *Id.* Attachment D at 1. Mr. Nicoski contends that there will be no issue of market dominant products subsidizing competitive products as a result of this contract. *Id.*

Related contract. The Postal Service included a redacted version of the related contract with the Request. *Id.* Attachment B. The contract is scheduled to become effective one business day following the day on which the Commission issues all necessary regulatory approval. *Id.* at 4. The contract will expire three years from the effective date unless, among other things, either party terminates the agreement upon 30 days' written notice to the other party or the contract is renewed by mutual written agreement.

Id. at 5. The contract also allows two 90-day extensions of the agreement if the preparation of a successor agreement is active and the Commission is notified within at least seven days of the contract's expiration date. *Id.* The Postal Service represents that the contract is consistent with 39 U.S.C. 3633(a).²

The Postal Service filed much of the supporting materials, including the related contract, under seal. *Id.* Attachment F. It maintains that the redacted portions of the Governors' Decision, contract, customer-identifying information, and related financial information should remain confidential. *Id.* at 3. This information includes the price structure, underlying costs and assumptions, pricing formulas, information relevant to the customer's mailing profile, and cost coverage projections. *Id.* The Postal Service asks the Commission to protect customer-identifying information from public disclosure indefinitely. *Id.* at 7.

II. Notice of Filings

The Commission establishes Docket Nos. MC2014-15 and CP2014-24 to consider the Request pertaining to the proposed Priority Mail Contract 74 product and the related contract, respectively.

Interested persons may submit comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B. Comments are due no later than January 7, 2014. The public portions of these filings can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints Manon A. Boudreault to serve as Public Representative in these dockets.

III. Ordering Paragraphs

It is ordered:

² Although the Request appears to state that the certification only pertains to paragraphs (1) and (3) of 39 U.S.C. 3633(a), the certification itself contains an assertion that the prices are in compliance with 39 U.S.C. 3633(a)(1), (2), and (3). See Request at 2; Attachment E.