

(generic incidents) that raise a major safety concern.

B. Fuel Cycle Facilities¹⁴

1. Absence or failure of all safety controls (engineered and human) such that conditions were present for the occurrence of a high-consequence event involving an NRC-regulated hazard (radiological or chemical).¹⁵

2. An NRC-ordered safety-related or security-related immediate remedial action.

C. Events Involving the Medical Use of Radioactive Materials in Patients or Human Research Subjects¹⁶

1. A medical event, as defined in 10 CFR 35.3045, which results in a dose that:

(a) Is equal to or greater than 1 Gray (Gy) (100 rad) to a major portion of the bone marrow or to the lens of the eye; or equal or greater than 2.5 Gy (250 rad) to the gonads; or

(b) Exceeds, by 10 Gy (1,000 rad), the expected dose to any other organ or tissue from the administration defined in the written directive; and

2. A medical event, as defined in 10 CFR 35.3045, which involves:

(a) A dose or dosage that is at least 50 percent greater than that prescribed, or

(b) A prescribed dose or dosage that (i) uses the wrong radiopharmaceutical or unsealed byproduct material; or (ii) is delivered by the wrong route of administration; or

(iii) is delivered to the wrong treatment site; or

(iv) is delivered by the wrong treatment mode; or

(v) is from a leaking source or sources; or

(vi) is delivered to the wrong individual or human research subject.

Appendix B: Other Events of Interest

This appendix discusses other events of interest that do not meet the AO criteria in Appendix A. The Commission may determine that events, other than AOs, may be of interest to Congress and the public and should be included in an appendix to the AO

¹⁴ Criterion III.A also applies to Fuel Cycle Facilities.

¹⁵ High-consequence events for facilities licensed under 10 CFR part 70 are those that could seriously harm the worker or a member of the public in accordance with 10 CFR 70.61. The integrated safety analysis (ISA) conducted and maintained by the licensee or applicant of 10 CFR part 70 fuel cycle facilities identifies such hazards and the safety controls (10 CFR 70.62(c)) applied to meet the performance requirements in accordance with 10 CFR 70.61(b) through (d). Fuel cycle facilities licensed under 10 CFR part 40 or certified under 10 CFR part 76 have licensing basis documents that describe facility specific hazards, consequences, and those controls utilized to prevent or mitigate the consequences of such accidents. For these facilities, a high-consequence event would be a release that has the potential to cause acute radiological or chemical exposures to a worker or a member of the public similar to that defined in NUREG-1520, Revision 2, Appendix A to Chapter 3, Section A.2, under "Consequence Category 3 (High Consequences)" (see <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1520/>).

¹⁶ Criteria III.A.2, III.A.3, and III.A.4 also apply to medical licensees.

report as "Other Events of Interest." Such events may include, but are not necessarily limited to, events that do not meet the AO criteria but that have been perceived by Congress or the public to be of high health and safety significance, have received significant media coverage, or have caused the NRC to increase its attention to or oversight of a program area, or a group of similar events that have resulted in licensed materials entering the public domain in an uncontrolled manner.

[FR Doc. 2015-20260 Filed 8-14-15; 8:45 am]

BILLING CODE 7590-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 73

[Docket No. FAA-2014-0370; Airspace Docket No. 14-ASO-2]

RIN 2120-AA66

Proposed Redesignation and Expansion of Restricted Area R-4403; Gainesville, MS

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Supplemental notice of proposed rulemaking (SNPRM).

SUMMARY: This SNPRM amends the notice of proposed rulemaking (NPRM) published in the *Federal Register* on July 10, 2014, proposing to redesignate and expand restricted area R-4403, Gainesville, MS, by changing the parameters of some restricted area subareas. The changes would include expanding the time of designation, modifying some restricted area lateral and vertical boundaries, and eliminating the proposed air-to-ground munitions delivery in some parts of the restricted area complex.

DATES: Comments must be received on or before October 1, 2015.

ADDRESSES: Send comments on this proposal to the U.S. Department of Transportation, Docket Operations, M-30, 1200 New Jersey Avenue SE., West Building Ground Floor, Room W12-140, Washington, DC 20590-0001; telephone: (202) 366-9826. You must identify FAA Docket No. FAA-2014-0370 and Airspace Docket No. 14-ASO-2, at the beginning of your comments. You may also submit comments through the Internet at www.regulations.gov. Comments on environmental and land use aspects to should be directed to: Mr. David Lorange, P.E., Center Environmental Officer, Center Operations Directorate, National Aeronautics and Space Administration (NASA) Stennis Space Center, Roy S.

Estess Building 1100, Mail Code RA02, Stennis Space Center, MS 39529-6000.

FOR FURTHER INFORMATION CONTACT: Paul Gallant, Airspace Policy and Regulations Group, Office of Airspace Services, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591; telephone: (202) 267-8783.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it would restructure the restricted airspace at the Stennis Space Center, MS, to enhance aviation safety and accommodate essential NASA and Naval Special Warfare Command (NSWC) requirements.

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal.

Communications should identify both docket numbers (FAA Docket No. FAA-2014-0370 and Airspace Docket No. 14-ASO-2) and be submitted in triplicate to the Docket Management System (see **ADDRESSES** section for address and phone number). You may also submit comments through the Internet at www.regulations.gov.

Commenters wishing the FAA to acknowledge receipt of their comments on this action must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to FAA Docket No. FAA-2014-0370 and Airspace Docket No. 14-ASO-2." The postcard will be date/time stamped and returned to the commenter.

All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this action may be changed in light of comments received. All comments submitted will be available for examination in the public docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRMs

An electronic copy of this document may be downloaded through the Internet at www.regulations.gov.

You may review the public docket containing the proposal, any comments received and any final disposition in person at the Dockets Office (see **ADDRESSES** section for address and phone number) between 9:00 a.m. and 5:00 p.m., Monday through Friday, except Federal holidays. An informal docket may also be examined during normal business hours at the office of the Operations Support Group, Eastern Service Center, Federal Aviation Administration, 1701 Columbia Ave., College Park, GA 30337.

Persons interested in being placed on a mailing list for future NPRMs should contact the FAA's Office of Rulemaking, (202) 267-9677, for a copy of Advisory Circular No. 11-2A, Notice of Proposed Rulemaking Distribution System, which describes the application procedure.

Background

On July 10, 2014, the FAA published in the **Federal Register** an NPRM proposing to redesignate and expand restricted area R-4403, Gainesville, MS, to support missions of the National Aeronautics and Space Administration (NASA) and the Naval Special Warfare Command (NSWC) (79 FR 39344). Eight comments were received; two commenters supported the proposal, four commenters posed limited concerns, and the remaining two commenters objected to the proposal.

Subsequent to publication, both NASA and NSWC revised their airspace proposal by changing certain restricted area boundaries, eliminating some proposed activities and increasing the proposed times of use of the airspace. The changes are described in the next section, below.

Since these changes to the proposal are significant, the FAA has determined it is necessary to reopen the comment period to provide additional opportunity for public comment. The FAA will dispose of all the comments

to the NPRM and SNPRM when it issues its final determination on the proposal.

Differences From NPRM

The southern boundary of R-4403B and R-4403C is shifted slightly to the north to address a comment that the restricted areas were too close to Interstate I-10, which is used by some pilots as a visual flight reference.

The NPRM proposed to establish R-4403C, extending from the surface up to but not including 6,000 feet MSL; and to establish R-4403D, with the same lateral boundaries as R-4403C, and extending above R-4403C from 6,000 feet MSL up to 10,000 feet MSL. This SNPRM proposes to combine R-4403C and R-4403D into a single restricted area extending from the surface up to 10,000 feet MSL. This combined area would be designated R-4403C and the formerly proposed designation "R-4403D" would not be used.

The NPRM proposed the time of designation for restricted areas R-4403C, D, E and F as "Intermittent, 1800 to 2400 local time, as activated by NOTAM at least 24 hours in advance; other times by NOTAM with air traffic control (ATC) approval." The SNPRM would revise the time of designation for R-4403C, E and F to "Intermittent, 2000 to 0500 local time, as activated by NOTAM at least 24 hours in advance; and 1800 to 2000 local time, November 1 to March 1, as activated by NOTAM at least 24 hours in advance, not to exceed 20 days per year." The new times would expand the basic time frame during which the restricted areas could be activated from six hours per day to nine hours per day. Further, it would add a provision allowing for additional activation during the hours 1800 to 2000 local time between November 1 and March 1. However, use of the 1800 to 2000 time frame between November 1 and March 1 would be limited to a maximum of 20 days per year. The provision in the NPRM allowing for activation of R-4403C, E and F at "other times by NOTAM with ATC approval" is removed from consideration in this proposal.

The NPRM proposed the use of R-4403E and F for delivery of air-to-ground munitions at a ground target by aircraft, including AC-130 gunships and armed helicopters. The NSWC determined that the area is too small to contain the weapons safety footprint, so R-4403E and F would only be used to contain air-to-ground firing of non-eye-safe lasers. Ground forces would use lasers that are eye-safe in R-4403E and F to signal military aircraft operating overhead.

The southeastern-most point of the R-4403E boundary (where it intersects the Stennis International Airport Class D airspace boundary (at lat. 30°20'22" N., long. 89°31'43" W.)) would be shifted northward by approximately 2.5 NM to intersect the Class D airspace area at lat. 30°22'35" N., long. 89°32'06" W. The airspace south of the new line would become a part of R-4403C.

The Proposal

The FAA is proposing an amendment to 14 CFR part 73 to remove restricted area R-4403, Gainesville, MS, and redesignate and expand the airspace to consist of five subareas: R-4403A, B, C, E and F, Stennis Space Center, MS. The FAA is proposing this action at the request of NASA and the NSWC to confine activities that potentially present hazards to nonparticipating aircraft. The existing airspace is too small to fully contain NASA activities and the proposed expansion would also enable NSWC to conduct realistic Special Operations Force training.

R-4403A and B would continue be used for NASA activities, such as rocket engine testing and untethered space vehicle propulsion system testing. The NSWC would use the proposed R-4403C, E and F for integrated Special Operations Forces training. The proposed restricted areas are described below.

R-4403A would be used by NASA to test rocket engine technology. It would consist of that airspace within a 2.5 NM radius of lat. 30°21'51" N., long. 89°35'39" W., centered on the rocket engine test complex. R-4403A would extend from the ground to 12,000 feet MSL. It would replace R-4403 with an expanded area to more fully contain rocket engine testing hazards. This area remains as proposed in the NPRM.

R-4403B would be used by NASA for untethered autonomous space vehicle testing. The area would extend upward from the ground to 6,000 feet MSL. These vehicles are utilized to explore planets and asteroids. Testing of these vehicles involves potential hazards since failure of the vehicle, its propulsion system or propellant tanks can result in explosion of the vehicle. The propensity for this to occur is greater with these vehicles than with a standard aircraft because of the extremely volatile nature of the propellants and the poor aerodynamic characteristics of the vehicle during earth-based operation. Proposed R-4403B is designed to contain the flight profiles of these vehicles as well as any potential hazards to nonparticipating aircraft. Except for the slight adjustment of the southern boundary, as described

above, this area remains as proposed in the NPRM.

R-4403C would be used for Special Operations Forces Integration Training. The NPRM proposed R-4403C to extend from the ground to 6,000 feet MSL. This SNPRM would expand R-4403C to extend from the ground to 10,000 feet MSL, incorporating the airspace from 6,000 feet MSL to 10,000 feet MSL, which was formerly proposed as R-4403D. The designation "R-4403D" will no longer be used. R-4403C would contain air-to-ground live-fire training for AC-130 gunships, armed helicopters and tilt-rotor (CV-22) aircraft and surface-to-surface weapons firing. R-4403C would contain two impact areas for air-to-ground munitions employment (up to 105mm), and air-to-ground non-eye-safe laser firing. Ground forces would use lasers that are eye-safe to signal military aircraft operating overhead. Anticipated use of R-4403C is 100-120 days per year.

R-4403D designation is removed from the proposal as described above.

R-4403E would also be used for Special Operations Forces Integration Training. It would extend upward from the ground to 10,000 feet MSL. It would contain a ground target to be used only for air-to-ground firing of non-eye safe lasers. The proposal in the NPRM to use this area for air-to-ground munitions delivery is eliminated. Ground forces would also use lasers that are eye-safe to signal military aircraft operating overhead.

R-4403F would extend upward from 4,000 feet MSL to 10,000 feet MSL. R-4403F would wrap around the northeast corner of R-4403E and would be used in conjunction with R-4403E.

R-4403E and F would always be activated together for AC-130 air-to-ground firing of non-eye-safe lasers. The two areas could be activated separately from R-4403C, but typically would be used in conjunction with R-4403C.

The proposed time of designation for R-4403A and R-4403B is "Intermittent, 1000 to 0300 local time, as activated by NOTAM at least 24 hours in advance." This time frame is the same as proposed in the NPRM. The proposed time of designation for R-4403C, E and F is "Intermittent, 2000 to 0500 local time, as activated by NOTAM at least 24 hours in advance; and 1800 to 2000 local time, November 1 to March 1 (not to exceed 20 days per year)." The times for R-4403C, E and F are changed from those in the NPRM as explained in the "Differences from NPRM" section, above.

Note: The term "Intermittent" is used to indicate occasional, irregular, or changeable use periods.

During periods when the restricted areas are not needed by the using agencies, the airspace would be returned to the controlling agency for access by other airspace users.

A revised color chart depicting the proposed restricted areas will be posted on the www.regulations.gov Web site (search Docket No. FAA-2014-0370).

Regulatory Notices and Analyses

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this proposed regulation: (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal.

Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

This proposal will be subject to an environmental analysis in accordance with FAA Order 1050.1E, "Environmental Impacts: Policies and Procedures," prior to any FAA final regulatory action.

List of Subjects in 14 CFR Part 73

Airspace, Prohibited areas, Restricted areas.

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 73 as follows:

PART 73—SPECIAL USE AIRSPACE

■ 1. The authority citation for part 73 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

§ 73.44 [Amended]

■ 2. Section 73.44 is amended as follows:

R-4403 Gainesville, MS [Removed]

R-4403A Stennis Space Center, MS [New]

Boundaries. Within a 2.5-NM radius centered at lat. 30°21'51" N., long. 89°35'39" W.

Designated altitudes. Surface to 12,000 feet MSL.

Time of designation. Intermittent, 1000 to 0300 local time, as activated by NOTAM at least 24 hours in advance.

Controlling agency. FAA, Houston ARTCC.

Using agency. NASA, Director, Stennis Space Center, Bay St. Louis, MS.

R-4403B Stennis Space Center, MS [New]

Boundaries. Beginning at lat. 30°29'37" N., long. 89°35'16" W.;

to lat. 30°29'37" N., long. 89°32'33" W.;

thence clockwise along a 0.85-NM arc centered

at lat. 30°28'46" N., long. 89°32'33" W.;

to lat. 30°28'46" N., long. 89°31'34" W.;

to lat. 30°26'25" N., long. 89°31'34" W.;

to lat. 30°24'02" N., long. 89°31'34" W.;

thence counterclockwise along a 4.2-NM arc centered

at lat. 30°22'04" N., long. 89°27'17" W.;

to lat. 30°20'28" N., long. 89°31'46" W.;

to lat. 30°19'19" N., long. 89°35'32" W.;

to lat. 30°18'23" N., long. 89°40'17" W.;

to lat. 30°21'08" N., long. 89°42'25" W.;

to lat. 30°22'22" N., long. 89°42'58" W.;

to lat. 30°23'44" N., long. 89°42'43" W.;

to lat. 30°26'40" N., long. 89°40'51" W.;

thence counterclockwise along a 3-NM arc centered

at lat. 30°29'15" N., long. 89°39'04" W.;

to lat. 30°27'08" N., long. 89°36'37" W.;

to lat. 30°27'58" N., long. 89°35'27" W.;

to lat. 30°28'47" N., long. 89°35'27" W.;

to the point of beginning.

Designated altitudes. Surface to 6,000 feet MSL.

Time of designation. Intermittent, 1000 to 0300 local time, as activated by NOTAM at least 24 hours in advance.

Controlling agency. FAA, Houston ARTCC.

Using agency. NASA, Director, Stennis Space Center, Bay St. Louis, MS.

R-4403C Stennis Space Center, MS [New]

Boundaries. Beginning at lat. 30°27'58" N., long. 89°35'27" W.;

to lat. 30°22'35" N., long. 89°35'27" W.;

to lat. 30°22'35" N., long. 89°32'06" W.;

thence counterclockwise along a 4.2-NM arc centered

at lat. 30°22'04" N., long. 89°27'17" W.;

to lat. 30°20'28" N., long. 89°31'46" W.;

to lat. 30°19'19" N., long. 89°35'32" W.;

to lat. 30°18'23" N., long. 89°40'17" W.;

to lat. 30°21'08" N., long. 89°42'25" W.;

to lat. 30°22'22" N., long. 89°42'58" W.;

to lat. 30°23'44" N., long. 89°42'43" W.;

to lat. 30°26'40" N., long. 89°40'51" W.;

thence counterclockwise along a 3-NM arc centered

at lat. 30°29'15" N., long. 89°39'04" W.;

to lat. 30°27'08" N., long. 89°36'37" W.;

to the point of beginning.

Designated altitudes. Surface to 10,000 feet MSL.

Time of designation. Intermittent, 2000 to 0500 local time, as activated by NOTAM at least 24 hours in advance; and 1800 to 2000 local time, November 1 to March 1, as

activated by NOTAM at least 24 hours in advance, not to exceed 20 days per year.

Controlling agency. FAA, Houston ARTCC.

Using agency. U.S. Navy, Commander, Naval Special Warfare Command, Naval Special Warfare N31 Branch, Stennis Space Center, Bay St. Louis, MS.

R-4403E Stennis Space Center, MS [New]

Boundaries. Beginning at lat. 30°29'37" N., long. 89°35'16" W.;

to lat. 30°29'37" N., long. 89°32'33" W.;

thence clockwise along a 0.85-M arc

centered

at lat. 30°28'46" N., long. 89°32'33" W.;

to lat. 30°28'46" N., long. 89°31'34" W.;

to lat. 30°26'25" N., long. 89°31'34" W.;

to lat. 30°24'02" N., long. 89°31'34" W.;

thence counterclockwise along a 4.2-NM

arc centered

at lat. 30°22'04" N., long. 89°27'17" W.;

to lat. 30°22'35" N., long. 89°32'06" W.;

to lat. 30°22'35" N., long. 89°35'27" W.;

to lat. 30°27'58" N., long. 89°35'27" W.;

to lat. 30°28'47" N., long. 89°35'27" W.;

to the point of beginning.

Designated altitudes. Surface to 10,000 feet

MSL.

Time of designation. Intermittent, 2000 to 0500 local time, as activated by NOTAM at least 24 hours in advance; and 1800 to 2000 local time, November 1 to March 1, as activated by NOTAM at least 24 hours in advance, not to exceed 20 days per year.

Controlling agency. FAA, Houston ARTCC.

Using agency. U.S. Navy, Commander, Naval Special Warfare Command, Naval Special Warfare N31 Branch, Stennis Space Center, Bay St. Louis, MS.

R-4403F Stennis Space Center, MS [New]

Boundaries. Beginning at lat. 30°29'37" N., long. 89°35'16" W.;

thence clockwise along a 2.5-NM arc

centered

at lat. 30°28'46" N., long. 89°32'33" W.;

to lat. 30°26'25" N., long. 89°31'34" W.;

to lat. 30°28'46" N., long. 89°31'34" W.;

thence counterclockwise along a 0.85-NM

arc centered

at lat. 30°28'46" N., long. 89°32'33" W.;

to lat. 30°29'37" N., long. 89°32'33" W.;

to the point of beginning.

Designated altitudes. 4,000 feet MSL to

10,000 feet MSL.

Time of designation. Intermittent, 2000 to 0500 local time, as activated by NOTAM at least 24 hours in advance; and 1800 to 2000 local time, November 1 to March 1, as activated by NOTAM at least 24 hours in advance, not to exceed 20 days per year.

Controlling agency. FAA, Houston ARTCC.

Using agency. U.S. Navy, Commander, Naval Special Warfare Command, Naval Special Warfare N31 Branch, Stennis Space Center, Bay St. Louis, MS.

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Issued in Washington, DC, on August 10

2015.

Gary A. Norek,

Manager, Airspace Policy and Regulations Group.

[FR Doc. 2015-20277 Filed 8-14-15; 8:45 am]

BILLING CODE 4910-13-P

POSTAL REGULATORY COMMISSION

39 CFR Part 3050

[Docket No. RM2015-16; Order No. 2654]

Periodic Reporting

AGENCY: Postal Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission is noticing a recent Postal Service filing requesting that the Commission initiate an informal rulemaking proceeding to consider changes to analytical principles relating to periodic reports (Proposal Seven). This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* September 25, 2015. *Reply Comments are due:* October 16, 2015.

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

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

SUPPLEMENTARY INFORMATION:

Table of Contents

- I. Introduction
- II. Summary of Proposal
- III. Initial Commission Action
- IV. Ordering Paragraphs

I. Introduction

On August 5, 2015, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate an informal rulemaking proceeding to consider changes to analytical principles relating to the Postal Service's periodic reports.¹ Proposal Seven is attached to the Petition and proposes an analytical method change relating to the avoided costs for Flats Sequencing System (FSS) workshare discounts. Petition at 1.

This Petition was filed in response to Order No. 2472, which directed the Postal Service "to file a proposed methodology for determining the costs avoided for the Presorted FSS workshare discounts, as described in the body of [Order No. 2472], within 90 days of the date of [Order No. 2472]."²

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Seven), August 5, 2015 (Petition).

² Docket No. R2015-4, Order on Revised Price Adjustments for Standard Mail, Periodicals, and

II. Summary of Proposal

Under Proposal Seven, the Postal Service seeks to address the avoided costs relating to FSS mail. Petition, Proposal Seven at 1. The Postal Service bifurcates Proposal Seven into the Mail Processing and the Delivery elements of the avoided costs for FSS workshare discounts. *Id.*

A. Section One: Proposed Method for Calculating Mail Processing Cost Avoidances

The Postal Service seeks to modify the modeling methodology used in the USPS-FY14-11 (Docket No. ACR2014) Standard Mail Flats Mail Processing Cost Model to estimate the mail processing cost avoidances of FSS presorted Standard Flats. Petition, Proposal Seven, Section One at 1. The Postal Service expands the Standard Mail Flats Mail Processing Cost Model to identify the unique characteristics and flows of FSS-prepared Standard Flats. *Id.* As part of Library Reference USPS-RM2015-16/1 filed with the Petition, the Postal Service provides three models supporting this section of Proposal Seven. *Id.* The Postal Service also proposes changes to the USPS-FY14-11 (Docket No. ACR2014) Periodicals Flats Mail Processing Cost Model. *Id.* at 4.³

There are nine modifications proposed by the Postal Service in Section One of Proposal Seven, all of which apply to the Standard Mail Flats Cost Model. Petition, Proposal Seven, Section One at 4. Two of the proposed modifications also apply to the Periodicals Model. *Id.*

1. Revision of the Methodology Used To Estimate the Proportion of Flats Processed in Mechanized Incoming Secondary Operations (Modification One)

The Postal Service presents a process to estimate the proportion of flat-shaped mail processed in mechanized incoming secondary operations. *Id.* at 4-8. Although over 98 percent of flats destinate in the service territories of plants that have mechanized equipment, certain facilities choose to perform the incoming secondary sortation manually for a variety of reasons, including low volume, service commitments, and

Package Services Products and Related Mail Classification Changes, May 7, 2015, at 62 (Order No. 2472).

³ The proposed changes to the Periodicals Flats Mail Processing Cost Model were filed in Docket No. RM2015-18. See Docket No. RM2015-18, Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Nine), August 5, 2015, Attachment at 2.