

13. Technical Standards

This rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

14. Environment

We have analyzed this rule under Department of Homeland Security Management Directive 023-01 and Commandant Instruction M16475.1D, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321-4370f), and have made a preliminary determination that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule involves the establishment of a safety zone around an OCS Facility to protect life, property and the marine environment. This rule is categorically excluded from further review under paragraph 34(g) of Figure 2-1 of the Commandant Instruction. The environmental analysis checklist supporting this determination and Categorical Exclusion Determination are available in the docket where indicated under **ADDRESSES**.

List of Subjects in 33 CFR Part 147

Continental shelf, Marine safety, Navigation (water).

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 147 as follows:

PART 147—SAFETY ZONES

- 1. The authority citation for part 147 continues to read as follows:

Authority: 14 U.S.C. 85; 43 U.S.C. 1333; and Department of Homeland Security Delegation No. 0170.1.

- 2. Add § 147.861 to read as follows:

§ 147.861 Interim Big Foot TLP Construction Site safety zone.

(a) *Description.* The Big Foot Tension Leg Platform (TLP) construction site is in the deepwater area of the Gulf of Mexico at Walker Ridge 29. The Big Foot TLP construction site outermost points are located at:

NW Corner 26-56-18.85 N, 090-31-26.44 W

NE Corner 26-56-18.85 N, 090-30-53.06 W

SE Corner 26-55-46.76 N, 090-30-53.06 W

SW Corner 26-55-46.76 N, 090-31-26.44 W,

and the area within 500 meters of the construction site's outermost points, is a safety zone.

(b) *Regulation.* No vessel may enter or remain in this safety zone except the following:

- (1) An attending vessel;
- (2) A vessel authorized by the Commander, Eighth Coast Guard District or a designated representative.

Dated: June 3, 2015.

David R. Callahan,

Rear Admiral, U.S. Coast Guard, Commander, Eighth Coast Guard District.

[FR Doc. 2015-17620 Filed 7-16-15; 8:45 am]

BILLING CODE 4910-15-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG-2015-0530]

RIN 1625-AA00

Safety Zones; Annual Events Requiring Safety Zones in the Captain of the Port Lake Michigan Zone—Chicago Air and Water Show

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard will enforce the safety zone for the Chicago Air and Water Show on a portion of Lake Michigan, on August 13, 2015 through August 18, 2015. This action is necessary and intended to ensure safety of life on the navigable waters of the United States immediately prior to, during, and immediately after the air and water show. During the enforcement period listed below, the Coast Guard will enforce restrictions upon, and control movement of, vessels in the safety zone. No person or vessel may enter the safety zone while it is being enforced without permission of the Captain of the Port Lake Michigan.

DATES: The regulations in 33 CFR 165.929 will be enforced for safety zone (f)(10), Table 33 CFR 165.929, on August 13, 2015, through August 18, 2015, from 8:30 a.m. until 5:00 p.m. on each day.

FOR FURTHER INFORMATION CONTACT: If you have questions on this document, call or email LT Lindsay Cook, Waterways Management Division, Marine Safety Unit Chicago, at 630-986-2155, email address *D09-DG-MSUChicago-Waterways@uscg.mil*.

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce the Safety Zone; Chicago Air and Water Show listed as item (f)(10) in Table 165.929 of 33 CFR 165.929. Section 165.929 lists many

annual events requiring safety zones in the Captain of the Port Lake Michigan zone. This safety zone encompasses all waters and adjacent shoreline of Lake Michigan and Chicago Harbor bounded by a line drawn from 41°55.900' N at the shoreline, then east to 41°55.900' N, 087°37.200' W, then southeast to 41°54.000' N, 087°36.000' W, then southwestward to the northeast corner of the Jardine Water Filtration Plant, then due west to the shore. This zone will be enforced on August 13, 2015, through August 18, 2015, from 8:30 a.m. until 5:00 p.m. on each day.

All vessels must obtain permission from the Captain of the Port Lake Michigan, or a designated on-scene representative to enter, move within, or exit this safety zone. Requests must be made in advance and approved by the Captain of the Port before transits will be authorized. Approvals will be granted on a case by case basis. Vessels and persons granted permission to enter the safety zone shall obey all lawful orders or directions of the Captain of the Port Lake Michigan, or his or her on-scene representative.

This document is issued under authority of 33 CFR 165.929, Safety Zones; Annual events requiring safety zones in the Captain of the Port Lake Michigan zone, and 5 U.S.C. 552(a). In addition to this publication in the **Federal Register**, the Coast Guard will provide the maritime community with advance notification of this enforcement period via Broadcast Notice to Mariners or Local Notice to Mariners. The Captain of the Port Lake Michigan, or a designated on-scene representative may be contacted via VHF Channel 16 during the event.

Dated: June 16, 2015.

A.B. Cocanour,

Captain, U.S. Coast Guard, Captain of the Port Lake Michigan.

[FR Doc. 2015-17614 Filed 7-16-15; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG-2015-0295]

RIN 1625-AA00; 1625-AA11

Safety Zones and Regulated Navigation Area; Shell Arctic Drilling/Exploration Vessels and Associated Voluntary First Amendment Area, Puget Sound, WA, Extension

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is extending the temporary safety zones and regulated navigation area that were previously established because the departure of several of the vessels associated with Royal Dutch Shell's (Shell) planned Arctic oil drilling and exploration operations have been delayed. The safety zones and regulated navigation area extended by this rule are necessary to ensure the mutual safety of all waterways users including the specified vessels and those individuals that desire to exercise their First Amendment rights.

DATES: This rule is effective without actual notice from July 17, 2015 through July 31, 2015. For purposes of enforcement, the rule is effective with actual notice from July 1, 2015 through July 17, 2015.

ADDRESSES: Documents mentioned in this preamble are part of docket USCG-2015-0295. To view documents mentioned in this preamble as being available in the docket, go to <http://www.regulations.gov>, type the docket number in the "SEARCH" box and click "SEARCH." Click on Open Docket Folder on the line associated with this rulemaking. You may also visit the Docket Management Facility in Room W12-140 on the ground floor of the Department of Transportation West Building, 1200 New Jersey Avenue SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Lieutenant Matthew Beck, Waterways Management Division, Coast Guard Sector Puget Sound; telephone (206) 217-6051, email SectorPugetSoundWWM@uscg.mil. If you have questions on viewing or submitting material to the docket, call Barbara Hairston, Program Manager, Docket Operations, telephone (202) 366-9826.

SUPPLEMENTARY INFORMATION:

Table of Acronyms

DHS Department of Homeland Security
FR Federal Register
NPRM Notice of Proposed Rulemaking

A. Regulatory History and Information

The Coast Guard is issuing this temporary final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good

cause finds that those procedures are "impracticable, unnecessary, or contrary to the public interest." Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because publishing an NPRM would be impracticable since the regulation is immediately necessary to help ensure the safety of all waterway users including the specified vessels and those individuals that desire to exercise their First Amendment rights and holding a notice and comment period at this time would delay regulatory implementation beyond the departure of the last Shell contracted vessel and expected First Amendment activities regarding Shell's operations, thereby increasing the safety risk to all waterways users.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. For reasons identical to those described above, delaying the effective date until 30 days after publication would be impracticable since the regulation is immediately necessary to help ensure the safety of all waterway users.

B. Basis and Purpose

The legal basis for this rule is the Coast Guard's authority to establish limited access areas: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05-1, 6.04-1, 6.04-6, and 160.5; Department of Homeland Security Delegation No. 0170.1.

Shell is planning Arctic oil drilling and exploration operations for the spring and summer of 2015. In preparation for those operations, it is staging a large number of vessels in the Puget Sound area. There has been a significant amount of First Amendment activity related to Shell's operations in the Puget Sound during the last month including the formation of a "kayak flotilla" used to exercise the participating individuals First Amendment rights regarding Shell's operations in the region. Among other activities, the "kayak flotilla" attempted to block the POLAR PIONEER's departure from Seattle, Washington. Also, Greenpeace International members conducted an unauthorized boarding of a Shell contracted vessel on the high seas. Draft restrictions, vessel maneuvering characteristics, and geographic/environmental conditions may constrain the ability of large commercial vessels (the Shell-contracted vessels) to maneuver in close quarters with other vessels, particularly

small craft piloted by recreational operators. Intentional close-in interaction of these vessels will create an increased risk of collision, grounding, or personal injury for all parties. Furthermore, while moored or at anchor the vessels will have ongoing operations occurring onboard, some of which could pose a safety risk to other maritime traffic. The myriad of potential safety risks to all parties and the port itself is best addressed by mandating a minimum zone of separation. For these reasons, the Coast Guard believes that safety zones around the Shell-contracted vessels are necessary to ensure the safety of all waterways users.

Additionally, the Coast Guard believes that given the nature of the First Amendment activity expected and the likely type of vessels used by individuals desiring to express their First Amendment rights, namely kayaks and other small vessels, a regulated navigation area designating a Voluntary First Amendment Area is necessary to ensure the safety of those vessels and persons. The regulated navigation area encompassing the Voluntary First Amendment Area would do so by establishing it as a "no wake" area, which is particularly important for small boats such as kayaks, to better enable persons and vessels to congregate and exercise their First Amendment rights safely and without interference from or interfering with other maritime traffic.

This rule is extending the rule established at 33 Code of Federal Regulations (CFR) § 165.T13-289 as published in the **Federal Register** (80 FR 23445) due to the fact that the departure from the Puget Sound of several of the vessels associated with Shell's planned Arctic oil drilling and exploration operations have been delayed.

C. Discussion of the Final Rule

In this rule, the Coast Guard is extending the temporary safety zones and regulated navigation area established at 33 CFR 165.T13-289 as published in the **Federal Register** (80 FR 23445).

The safety zones are established in subsection (a) of this temporary regulation. Per subsection (a)(1)(i), while transiting, the safety zone around each of the vessels will encompass all waters within 500 yards of the vessel in all directions. Per subsection (a)(1)(ii), while moored or anchored, the safety zone around each of the vessels will encompass all waters within 100 yards of the vessel in all directions. Persons and/or vessels that desire to enter these safety zones must request permission to

do so from the Captain of the Port, Puget Sound by contacting the Joint Harbor Operations Center at 206-217-6001, or the on-scene Law Enforcement patrol craft, if any, via VHF-FM CH 16.

The Coast Guard is also establishing a regulated navigation area to ensure the safety of individuals that desire to exercise their First Amendment rights related to Shell's activities in subsection (b) of this regulation. The Voluntary First Amendment Area is being established in an area where we believe individuals will be able to effectively communicate their message, without posing an undue risk to maritime safety, after analyzing maritime traffic patterns and other environmental factors as well as meeting with some groups who have expressed a desire to exercise their First Amendment rights. The regulated navigation area encompassing the Voluntary First Amendment Area will ensure the safety of small boats by establishing it as a "no wake" area for persons and/or vessels to congregate and exercise their First Amendment rights safely and without interference from or interfering with other maritime traffic. The "no wake" provisions will ensure all interactions between vessels within the area occur at a low rate of speed, thereby reducing risk of collision and personal injury. Likewise, the designation of a Voluntary First Amendment Area will help to ensure that a large congregation of vessels does not impede or endanger other commercial and recreational users who are not associated with Shell's arctic drilling and exploration operations or the associated First Amendment activity.

These provisions are particularly vital given the expected presence of the "kayak flotilla" described above. Persons or vessels desiring to exercise their First Amendment rights to free speech regarding Shell's Arctic drilling and exploration operations may enter the regulated navigation area at any time. All other persons or vessels are advised to avoid the regulated navigation area. When inside the regulated navigation area, all vessels must proceed at "no wake" speed and with due regard for all other persons and/or vessels inside the regulated navigation area.

D. Regulatory Analyses

We developed this rule after considering numerous statutes and executive orders related to rulemaking. Below we summarize our analyses based on these statutes and executive orders.

1. Regulatory Planning and Review

This rule is not a significant regulatory action under section 3(f) of Executive Order 12866, Regulatory Planning and Review, as supplemented by Executive Order 13563, Improving Regulation and Regulatory Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of Executive Order 12866 or under section 1 of Executive Order 13563. The Office of Management and Budget has not reviewed it under those Orders. This rule is not a significant regulatory action as the safety zones and regulated navigation area are limited in both size and duration and any person and/or vessel needing to transit through the safety zones or regulated navigation area may be allowed to do so in accordance with the regulatory provisions.

2. Impact on Small Entities

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. 601-612, as amended, requires federal agencies to consider the potential impact of regulations on small entities during rulemaking. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard certifies under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entities. This rule will affect the following entities, some of which may be small entities: the owners or operators of vessels intending to transit the affected waterways when the safety zones and regulated navigation areas are in effect. The safety zones and regulated navigation areas will not have a significant economic impact on a substantial number of small entities, however, because the safety zones and regulated navigation area are limited in both size and duration and any person and/or vessel needing to transit through the safety zones or regulated navigation area may be allowed to do so in accordance with the regulatory provisions.

3. Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121), we want to assist small entities in understanding this rule. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for

compliance, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT**, above.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1-888-REG-FAIR (1-888-734-3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

4. Collection of Information

This rule will not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).

5. Federalism

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that Order and determined that this rule does not have implications for federalism.

6. First Amendment Activities

The Coast Guard respects the First Amendment rights of all individuals. This regulation establishes a regulated navigation area to create a Voluntary First Amendment Area so that persons and vessels can congregate and exercise their First Amendment free speech rights safely and without interference from or interfering with other maritime traffic. Of particular note, large vessels operating in restricted waters cannot maneuver freely, nor can they stop immediately. As such, any First Amendment activity taking place in immediate proximity to such vessels can quickly result in extremis. The Voluntary First Amendment Area has been located to allow individuals a meaningful opportunity to be heard. Individuals that desire to exercise their First Amendment rights are asked to utilize the designated area to the extent possible, however, its use is voluntary. Individuals that desire to exercise their First Amendment rights outside the designated area are requested to contact the person listed in the **FOR FURTHER**

INFORMATION CONTACT section to coordinate their activities so that their message can be heard, without jeopardizing the safety or security of people, places, or vessels.

7. *Unfunded Mandates Reform Act*

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this rule will not result in such expenditure, we do discuss the effects of this rule elsewhere in this preamble.

8. *Taking of Private Property*

This rule will not cause a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

9. *Civil Justice Reform*

This rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

10. *Protection of Children*

We have analyzed this rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and does not create an environmental risk to health or risk to safety that may disproportionately affect children.

11. *Indian Tribal Governments*

This rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

12. *Energy Effects*

This action is not a “significant energy action” under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use.

13. *Technical Standards*

This rule does not use technical standards. Therefore, we did not

consider the use of voluntary consensus standards.

14. *Environment*

We have analyzed this rule under Department of Homeland Security Management Directive 023–01 and Commandant Instruction M16475.ID, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321–4370f), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule involves the establishment of temporary safety zones and a regulated navigation area to deal with an emergency situation that is one week or longer in duration. This rule is categorically excluded from further review under paragraph 34(g) of Figure 2–1 of the Commandant Instruction. An environmental analysis checklist supporting this determination and a Categorical Exclusion Determination are available in the docket where indicated under **ADDRESSES**.

List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, Waterways.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 165 as follows:

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

■ 1. The authority citation for part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 0170.1.

■ 2. Add § 165.T13–289 to read as follows:

§ 165.T13–289 Safety Zones and Regulated Navigation Area; Shell Arctic Drilling/ Exploration Vessels and Associated Voluntary First Amendment Area, Puget Sound, WA, Extension.

(a) *Safety Zones*—(1) *Location*. The following areas are designated as safety zones:

(i) All waters within 500 yards of the following vessels while transiting within the U.S. Territorial or Internal Waters of the Sector Puget Sound Captain of the Port Zone as defined in 33 CFR 3.65–10: NOBLE DISCOVERER, BLUE MARLIN, POLAR PIONEER, AIVIQ, FENNICA, NORDICA, ROSS CHOUDEST, TOR VIKING, OCEAN WIND, OCEAN WAVE, HARVEY

SISUAQ, HARVEY CHAMPION, HARVEY SUPPORTER, HARVEY EXPLORER, NANUQ, GUARDSMAN, KLAMATH, PT OLIKTOK, ARCTIC ENDEAVOR, CORBIN FOSS, ACS, ARCTIC CHALLENGER, ARCTIC SEAL, CROWLEY DIANA G, LAUREN FOSS, TUUQ, BARBARA FOSS, AMERICAN TRADER, and any other vessel actively engaged in towing or escorting those vessels.

(ii) All waters within 100 yards of the following vessels while moored or anchored within the U.S. Territorial or Internal Waters of the Sector Puget Sound Captain of the Port Zone as defined in 33 CFR 3.65–10: NOBLE DISCOVERER, BLUE MARLIN, POLAR PIONEER, AIVIQ, FENNICA, NORDICA, ROSS CHOUDEST, TOR VIKING, OCEAN WIND, OCEAN WAVE, HARVEY SISUAQ, HARVEY CHAMPION, HARVEY SUPPORTER, HARVEY EXPLORER, NANUQ, GUARDSMAN, KLAMATH, PT OLIKTOK, ARCTIC ENDEAVOR, CORBIN FOSS, ACS, ARCTIC CHALLENGER, ARCTIC SEAL, CROWLEY DIANA G, LAUREN FOSS, TUUQ, BARBARA FOSS, AMERICAN TRADER, and any other vessel actively engaged in towing or escorting the listed vessels.

(2) *Regulations*. In accordance with the general regulations in 33 CFR part 165 Subpart C, no persons or vessels may enter these safety zones unless authorized by the Captain of the Port, Puget Sound or his designated representative. To request permission to enter one of these safety zones contact the Joint Harbor Operations Center at 206–217–6001, or the on-scene Law Enforcement patrol craft, if any, via VHF–FM CH 16. If permission for entry into one of these safety zones is granted, vessels must proceed at a minimum speed for safe navigation.

(b) *Regulated navigation area*—(1) *Location*. The following area is designated as a regulated navigation area: All waters of Elliot Bay encompassed by lines connecting the following points located between Seacrest Park and Terminal 5: 47°35′20.47″ N, 122°21′53.32″ W; thence south to 47°35′11.54″ N, 122°21′53.24″ W; thence west to 47°35′11.47″ N, 122°22′26.44″ W; thence north to 47°35′20.47″ N, 122°22′26.40″ W; thence back to the point of origin.

(2) *Regulations*. In accordance with the general regulations in 33 CFR part 165 Subpart B, persons or vessels desiring to exercise their First Amendment right to free speech regarding Royal Dutch Shell’s Arctic drilling and exploration operations may enter the regulated navigation area at any time. All other persons or vessels

are advised to avoid the regulated navigation area. When inside the regulated navigation area, all vessels must proceed at no wake speed and with due regard for all other persons and/or vessels inside the regulated navigation area.

(c) *Dates.* This rule will be enforced from July 1, 2015 through July 31, 2015.

Dated: June 29, 2015.

R.T. Gromlich,

Rear Admiral, U.S. Coast Guard, Commander, Thirteenth Coast Guard District.

[FR Doc. 2015-17615 Filed 7-16-15; 8:45 am]

BILLING CODE 9110-04-P

POSTAL SERVICE

39 CFR Part 501

Revisions to the Requirements for Authority To Manufacture and Distribute Postage Evidencing Systems

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service is revising the rules concerning authorization to manufacture and distribute postage evidencing systems to reflect new revenue assurance practices.

DATES: *Effective:* July 17, 2015.

FOR FURTHER INFORMATION CONTACT: Marlo Kay Ivey, Business Systems Analyst, Payment Technology, U.S. Postal Service, (202) 268-7613

SUPPLEMENTARY INFORMATION: On April 23, 2015, the United States Postal Service published a proposed rule to amend 39 CFR part 501 to support the automated revenue assurance program currently in development. (See, 80 FR 22661). Comments were received from two industry stakeholders. The first comment generally supported the proposed rule as written. The second comment suggested that the proposed rule should be clarified to apply only to PC Postage systems, and not postage meters. Further, it suggested that the proposal inadequately addressed the cost burden that would be imposed on PC Postage providers, and should provide additional detail regarding account suspension processes, adjustments for overpayment of postage, and the role of the PC Postage provider in the dispute resolution process.

The Postal Service believes that the rule as proposed is appropriately written to encompass all postage evidencing systems. While initial automated collection efforts will be facilitated by PC Postage vendors, all customers should pay postage

accurately, regardless of the postage technology they elect to use. As automated solutions become available for the various postage evidencing systems USPS will coordinate implementation plans with the parties concerned. Current manual efforts employed by the Postal Service to collect proper postage are costly and inefficient. An automated approach will reduce costs and improve overall recovery efforts. The costs of program administration will be acknowledged and considered as the USPS establishes operative recovery thresholds and certain other program related business rules. Account suspension, however, is already specifically addressed in postal regulations not modified by this proposal (see, 39 CFR 501.6), and we see no current need for further clarifications in these regulations. We further believe that the proposed rule as written (in conjunction with current 39 CFR 501.11 and 501.12) appropriately discusses PC Postage provider participation in the dispute process. The Postal Service is working diligently to ensure the quality and accuracy of postage evidencing data using automated process controls, and may elect to make such adjustments to our rules in the future as are required to achieve that end. At this time, however, we believe it is appropriate to publish this final rule.

List of Subjects in 39 CFR Part 501

Administrative practice and procedure.

Accordingly, for the reasons stated, 39 CFR part 501 is amended as follows:

PART 501—AUTHORIZATION TO MANUFACTURE AND DISTRIBUTE POSTAGE EVIDENCING SYSTEMS

■ 1. The authority citation for 39 CFR part 501 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 410, 2601, 2605, Inspector General Act of 1978, as amended (Pub. L. 95-452, as amended); 5 U.S.C. App. 3.

■ 2. In § 501.1, revise paragraph (g) to read as follows:

§ 501.1 Definitions.

* * * * *

(g) A *customer* is a person or entity authorized by the Postal Service to use a Postage Evidencing System as an end user in accordance with *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), including 604 Postage Payment Methods and Refunds, 4.0 Postage Meters and PC Postage Products (Postage Evidencing Systems).

■ 3. In § 501.2, revise paragraph (d) to read as follows:

§ 501.2 Postage Evidencing System Provider authorization.

* * * * *

(d) Approval shall be based upon satisfactory evidence of the applicant's integrity and financial responsibility, commitment to comply with the Postal Service's revenue assurance practices as outlined in section 501.16, and a determination that disclosure to the applicant of Postal Service customer, financial, or other data of a commercial nature necessary to perform the function for which approval is sought would be appropriate and consistent with good business practices within the meaning of 39 U.S.C. 410(c)(2). The Postal Service may condition its approval upon the applicant's agreement to undertakings that would give the Postal Service appropriate assurance of the applicant's ability to meet its obligations under this section, including but not limited to the method and manner of performing certain financial, security, and servicing functions and the need to maintain sufficient financial reserves to guarantee uninterrupted performance of not less than 3 months of operation.

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■ 4. In § 501.16 add paragraph (i) to read as follows:

§ 501.16 PC postage payment methodology.

* * * * *

(i) *Revenue Assurance.* To operate PC Postage systems, the provider must support business practices to assure Postal Service revenue and accurate payment from customers. Specifically, the provider is required to notify the customer and adjust the balance in the postage evidencing system or otherwise facilitate postage corrections to address any postage discrepancies as directed by the Postal Service, subject to the applicable notification periods and dispute mechanisms available to customers for these corrections. The Postal Service will supply the provider with the necessary detail to justify the correction and amount of the postage correction to be used in the adjustment process. The provider must supply customers with visibility into the identified postage correction, facilitate a payment adjustment from the customer in the amount equivalent to the identified postage discrepancies to the extent possible, and enable customers to submit electronic disputes of such postage discrepancies to the Postal Service. Further if the Customer does not have funds sufficient to cover the amount of the discrepancies or the postage discrepancies have not been resolved, the provider may be required to temporarily suspend or permanently