

Office also seeks input on any model methods of search. Specifically:

1. What would constitute a reasonable search of the Office's database of Pre-1972 Schedules, which will index information including the name of the rights owner, title, and featured artist for each sound recording filed on a schedule?

2. Please suggest specific "services offering a comprehensive set of sound recordings for sale or streaming" that users should be asked to reasonably search before qualifying for the safe harbor.

3. Which criteria should be used to identify music streaming services that should be searched, now and in the future? For example, one publication recently analyzed search requests for music providers, and determined that the most frequently searched services were YouTube Music, Amazon Music, Apple Music, Pandora, and Spotify.<sup>21</sup> Is this a reasonable list, or should the Office consider different and/or additional analytics, such as catalog size, number of listeners, or inclusion into indexes such as Nielsen Music? To that end, Billboard recently added the iHeartRadio subscription stream to various streaming-inclusive charts,<sup>22</sup> and other services, such as SiriusXM, Deezer, Bandcamp, SoundCloud, and Tidal provide music to millions of users.

4. Is it reasonable to expect a user's search to encompass music distribution services, such as CD Baby, TuneCore, or The Orchard?

5. Are there other sources to which the Office should look that may demonstrate commercialization of physical copies of recordings, e.g., vinyl records or compact discs?

6. Are there other specialized services or salesfronts regarding particular genres or eras within the category of Pre-1972 Sound Recordings that should be considered by the Office?

7. How many sources should a user be required to search before qualifying for the safe harbor? In responding, please consider that the Office must promulgate a "reasonable" list of steps, but in a way that does not overlook commercialization of Pre-1972 sound recordings.

<sup>21</sup> Daniel Sanchez, *We Asked a Search Analytics Company to Tell Us the Most Popular Music Services*, Digital Music News (June 11, 2018), <https://www.digitalmusicnews.com/2018/06/11/most-popular-music-services/>.

<sup>22</sup> Billboard Staff, *Pandora & iHeartRadio Subscription Streams to Be Added to Billboard Charts*, Billboard (June 25, 2018), <https://www.billboard.com/articles/news/8462711/pandora-iheartradio-subscription-streams-added-billboard-charts>.

8. Please describe specific steps that should constitute a reasonable search for a recording on an identified service. Should the steps be service-specific or would a single list of steps be adequate for any identified source? Is the description of a qualifying search described by the 2008 bill referenced above useful in defining whether a user has conducted a reasonable search to determine whether a work is being commercially exploited?

#### *B. Filing of Notices of Pre-1972 Noncommercial Use and Pre-1972 Opt-Out Notices*

The Office also seeks written comments on how it should "establish the form, content, and procedures" for users to file Notices of Pre-1972 Noncommercial Use and rights owners to file Pre-1972 Opt-Out Notices. Specifically:

1. Should the Office provide guidelines as to what constitutes a "noncommercial" use, and if so, what? In answering, consider that "merely recovering costs of production and distribution of a sound recording resulting from a use otherwise permitted under this subsection does not itself necessarily constitute a commercial use of the sound recording," and "the fact that a person engaging in the use of a sound recording also engages in commercial activities does not itself necessarily render the use commercial."<sup>23</sup> For example, should the online use of a work where the user receives website advertising revenue be considered "commercial"? Should a prospective user be asked to disclose whether they are an individual, or whether they will operate as a commercial or noncommercial entity?

2. To what extent should a user be required to specify the nature of the use, such as the expected audience, duration of the use, and whether it will be online or limited to a particular geographic area?

3. How should the user be required to certify or describe the steps taken for a search to constitute a "good faith, reasonable search"? How detailed should any description be? In responding, the Office encourages commenters to consider other forms and procedures offered by the Office, which reflect operational considerations by the Office, as well as the resources described above.<sup>24</sup>

<sup>23</sup> 17 U.S.C. 1401(C)(2).

<sup>24</sup> See, e.g., *Document Recordation: Completing and Submitting Declarations of Ownership in Musical Works*, U.S. Copyright Office, <https://www.copyright.gov/recordation/domw/#requirements> (instructions on filing Declarations of Ownership in Musical Works); *Requirements and*

Depending on the feedback received, the Office will either issue an interim rule, or a notice of proposed rulemaking with further request for comment.

Dated: October 11, 2018.

**Regan A. Smith,**  
*General Counsel and Associate Register of Copyrights.*

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**BILLING CODE 1410–30–P**

## **POSTAL REGULATORY COMMISSION**

### **39 CFR Part 3050**

**[Docket No. RM2019–1; Order No. 4849]**

#### **Periodic Reporting**

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Commission is acknowledging a recent filing requesting the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports (Proposal Eight). This document informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* November 9, 2018.

**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. Proposal Eight

*Instructions for Completing and Submitting Schedules of Pre-1972 Sound Recordings, U.S. Copyright Office, <https://copyright.gov/music-modernization/pre1972-soundrecordings/schedulefiling-instructions.html> (instructions on filing Pre-1972 Schedules); *Requirements and Instructions for Completing and Submitting Notices of Contact Information For Transmitting Entities Publicly Performing Pre-1972 Sound Recordings*, U.S. Copyright Office, <https://copyright.gov/music-modernization/pre1972-soundrecordings/contact-information-instructions.html> (instructions on filing notices of contact information for transmitting entities publicly performing Pre-1972 Sound Recordings); *Modernizing Copyright Recordation*, 82 FR 52213 (Nov. 13, 2017) (issuing interim rule amending regulations governing recordation of transfers of copyright ownership, other documents pertaining to a copyright, and notices of termination).*

III. Notice and Comment  
IV. Ordering Paragraphs

## I. Introduction

On October 5, 2018, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports.<sup>1</sup> The Petition identifies the proposed analytical changes filed in this docket as Proposal Eight.

## II. Proposal Eight

**Background.** The Postal Service seeks to modify the modeling methodology in First-Class Mail and Marketing Mail Letter cost models to reflect current operational flows. Petition, Proposal Eight at 1. The Postal Service states that Proposal Eight relates to the Commission's directive in the FY 2017 Annual Compliance Determination Report for the Postal Service to "provide a plan to move the passthrough toward 100 percent" for USPS Marketing Mail Automation Letters Barcoding.<sup>2</sup> The Postal Service states Proposal Eight "aligns the barcode cost avoidance and the associated passthrough with the Commission's directive." *Id.*

The Postal Service states that it developed its current mail processing letter cost models when cancellation equipment had limited functionality. *Id.* at 2. The outgoing primary scheme could not isolate mail for all automated area distribution centers (AADCs), and mail for low volume AADCs flowed to the outgoing secondary scheme. *Id.*

The Postal Service states that due to advances in Optical Character Recognition (OCR) technology, its Advanced Facer Cancellor System (AFCS) is now able to read addresses and isolate locally-processed mail from mail destined in the service territory of other processing facilities. *Id.* This capability eliminated the need for local separations on outgoing primary schemes, or the processing of pre-barcode mail on the outgoing secondary scheme. *Id.* The Postal Service states the result is an increased quantity of mail processed on the outgoing primary scheme. *Id.* at 2–3.

**Proposal.** The Postal Service proposes three operational and methodological changes: (1) Modification of models to reflect current operational flows; (2) correction of the exclusion of mechanical rejects from the Input Sub

System (ISS); and (3) removal of the conflation of differential flows between Output Sub System (OSS) operations and automation barcode sortation (BCS) operations in the Marketing Mail Letters cost model. *Id.* at 3.

The Postal Service states that modification 1 aligns the current operational flows of automation pre-barcode Mixed AADC (MAADC) mail with modeled automation mail. *Id.* at 4. The modification changes the inflow of 10,000 pieces of modeled mail from the outgoing secondary entry point. *Id.* The Postal Service states that the "modification directly impacts only the Automation MAADC Presort Letters and Cards categories." *Id.*

The Postal Service states that the current letter models do not account for mechanical rejects that flow to manual operations. *Id.* The Postal Service states that the delivery BCS (DBCS) Input Output Sub System (DIOSS) reject rate is composed of the OSS rate of rejects flowing to manual operations. *Id.* Modification 2 "corrects the DIOSS operations' treatment of rejects to that of traditional OSS/ISS operations for treatment of pieces flowing to manual operations and to OSS operations." *Id.*

The Postal Service suggests that the current Marketing Mail Letters cost model, calculating the barcode cost avoidance as the difference between modeled (Non-Automation) Machinable MAADC letters and Automation MAADC letters, "conflates the value of the barcode with intrinsic differences between non-barcode and automation mail." *Id.* at 5. Modification 3 corrects the model for machinable MAADC mail by using the same down flow densities as automation MAADC mail, "thereby accurately estimating the value of a barcode when used as a benchmark." *Id.* The Postal Service states that this modification applies only to Marketing Mail Letters. *Id.* at 6.

**Rationale and impact.** The Postal Service states that it intends for the proposal to modify the letter processing models to reflect "current operational reality." *Id.* at 1. The Postal Service states that the proposal would increase the barcode cost avoidance of Marketing Mail Automation MAADC letters from \$0.001 to \$0.006, while reducing the passthrough from 1300 percent to 217 percent. *Id.* at 6. The Postal Service provides the change in mail processing unit costs for Marketing Mail Letters and First-Class Mail Letters and Cards. *Id.* at 7–8.

## III. Notice and Comment

The Commission establishes Docket No. RM2019–1 for consideration of matters raised by the Petition. More

information on the Petition may be accessed via the Commission's website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal Eight no later than November 9, 2018. Pursuant to 39 U.S.C. 505, the Commission designates Katalin K. Clendenin as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

## IV. Ordering Paragraphs

*It is ordered:*

1. The Commission establishes Docket No. RM2019–1 for consideration of the matters raised by the Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Eight), filed October 5, 2018.

2. Comments by interested persons in this proceeding are due no later than November 9, 2018.

3. Pursuant to 39 U.S.C. 505, the Commission appoints Katalin K. Clendenin to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

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

By the Commission.

**Stacy L. Ruble,**  
*Secretary.*

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 721

[EPA–HQ–OPPT–2017–0575; FRL–9984–93]

RIN 2070–AB27

### Significant New Use Rules on Certain Chemical Substances

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA is proposing significant new use rules (SNURs) under the Toxic Substances Control Act (TSCA) for 13 chemical substances which are the subject of premanufacture notices (PMNs). This action would require persons to notify EPA at least 90 days before commencing manufacture (defined by statute to include import) or processing of any of these 13 chemical substances for an activity that is designated as a significant new use by this proposed rule. If this proposed rule

<sup>1</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Eight), October 5, 2018 (Petition).

<sup>2</sup> *Id.* Docket No. ACR2017, Annual Compliance Determination Report, March 29, 2018, at 26.