

mailings, with subsequent mail selection determined by the results of MQA reports and feedback from mail processing, mail acceptance, and other sources.

MQA will be implemented in two phases. Phase one will implement the MQA program on a national basis in December 1999, collect data, and develop improvements to MQA procedures. During phase one, mailers will receive diagnostic reports only. The reports will allow the mailer to correct quality problems. Phase one will run through June 2, 2000. Phase two will begin on June 3, 2000, and as of this date postage adjustments will be made when presort error rates over 5 percent are found. Even during this phase, a mailer's first MQA report (for mailers who received no report during phase one) will be for diagnostic and notification purposes only, with no postage adjustment cited. Additionally, errors discovered through MQA that amount to less than \$50 in additional postage will not be assessed at any point in time. Mailers will have their normal appeal rights regarding postage adjustments. Domestic Mail Manual PO 11.4–11.5. In both phase one and two, MQA will provide feedback on barcode readability. A decision will be made at a later date as to whether postage adjustments eventually will apply.

By necessity, MQA will extract data about a mailing after acceptance of the mail, as it is entered into postal processing. The numerous postage rates and discounts available, automation of mail production, and acceptance and processing procedures, combined with more mail requesting specific in-home delivery dates, mean that reworking mail after initial acceptance has become less viable. Mailers will not have the option of reworking mail to avoid a postage adjustment after June 2, 2000.

Now and in the past, Domestic Mail Manual G020.2 has described how all mailers are required to comply with applicable postal standards. DMM G020.2.2 and each postage statement also show that when proper postage is not claimed on the postage statement, the Postal Service must collect correct postage, at or after the time of acceptance. Mailers with effective quality assurance procedures resulting in accurate representation of their mail on each postage statement will not encounter postage adjustments and therefore will not be affected by MQA.

The Postal Service and mailers have worked together for many years to improve the quality of mail, which ultimately benefits all customers through lower USPS processing costs and more stable postage rates. MQA

extends this effort further by incorporating an improved feedback procedure into the process. Mailers have for some time requested regular feedback concerning their mail. MQA will provide this feedback for selected mailings.

MQA procedures will be described in an upcoming issue of *Mailers Companion*.

**Stanley F. Mires,**

*Chief Counsel, Legislative.*

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## POSTAL SERVICE

### Privacy Act of 1974, System of Records

**AGENCY:** Postal Service.

**ACTION:** Notice of amended system of records.

**SUMMARY:** The purpose of this document is to publish notice of amendments to Privacy Act system of records USPS 140.020, Postage—Postage Meter Records, renamed by this notice as USPS 140.020, Postage—Postage Evidencing System Records. The change is necessary to broaden the definition to include new postage evidencing technology that allows customers to purchase postage and print evidence of postage directly onto envelopes and labels using their personal computers, printers, and the Internet (PC Postage). In addition, changes in the system description are required to reflect collection of information related to payment of postage through both traditional paper-based licensing, as well as new postage evidencing products that allow customers to apply for licenses online.

**DATES:** Any interested party may submit written comments on the proposed amendments. This proposal will become effective without further notice on February 2, 2000, unless comments received on or before that date result in a contrary determination.

**ADDRESSES:** Written comments on this proposal should be mailed or delivered to: Administration and FOIA, United States Postal Service, 475 L'Enfant Plaza, SW, RM 8141, Washington, DC 20260-5202. Copies of all written comments will be available at the above address for public inspection and photocopying between 8 a.m. and 4:45 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Betty Sheriff (202) 268-2608.

**SUPPLEMENTARY INFORMATION:** Privacy Act system of records USPS 140.020,

Postage—Postage Meter Records, renamed by this notice as USPS 140.020, Postage—Postage Evidencing System Records, has traditionally covered information collected from customers who apply for meter licenses and who purchase postage under those meter licenses. The system name and notice is amended to make it clear that the system also covers information collected through implementation of new technology information postage evidencing systems. This new technology has led to postage evidencing systems that generate an Information Based Indicia.

Using products developed by commercial vendors, the Postal Service offers a service that lets customers purchase postage and print evidence of postage directly onto envelopes and labels using their personal computers, printers, and the Internet. Customers must have a Postal Service-issued license before they can purchase and print postage. The license applications are processed through traditional licensing methods with the Postal Service maintaining the kind of information historically covered by system USPS 140.020. The postage is printed on the label or envelope in the form of a special digital imprint called an Information Based Indicia. Postage evidencing systems that produce an Information Based Indicia generate transaction log files for each indicia created by a customer. These transaction log files include data unique to security and revenue protection under the Information Based Indicia Program (IBIP). This notice expands the categories of records in the system to include the new information collected by the postage evidencing systems generating Information Based Indicia and improves the description of the data historically collected.

In addition, because data from the system may be used by the Postal Service to advise the user about Postal Service products and services, the purpose statement is expanded to include that secondary use. Routine use 2 is changed to reflect the change in name from postage meter to postage evidencing system.

The system changes are not expected to have an effect on individual privacy rights. Most information kept within the system pertains to businesses rather than individuals. To the extent information is kept about individuals, the changes do not in any manner alter the nature or increase the types of personal information already kept in the system. In fact, the amount of personal information kept is narrowed to the extent that the Postal Service will no

longer capture and maintain the tax identification number (that might also be an individual's social security number). Information collected from the generation of the Information Based Indicia receives the same security as that collected by the metered postage process. Systems security has not been diminished. Moreover, the Postal Service has given careful attention to ensure secure transmission of information it receives electronically from the authorized product service providers. A customer applying online for a postage evidencing system must provide certain information to the service provider that is needed to process the request for a license. The service provider then sends the information to the Postal Service in a "secure session" established by Secure Sockets Layer (SSL) or equivalent technology. These technologies encrypt or scramble the transmitted information so it is virtually impossible for anyone other than the Postal Service and its authorized product service providers to read it.

In addition to the protections imposed by the Privacy Act, the Postal Reorganization Act imposes restrictions on the disclosure of information of the type kept within system USPS 140.020. The Act does not permit the Postal Service to disclose lists of postal customers or other persons. It also does not require the Postal Service to disclose information that could cause competitive harm. The Postal Service has traditionally considered the mailing habits of a particular customer exempt from disclosure under the Postal Reorganization Act.

Pursuant to 5 U.S.C. 552a(e)(11), interested persons are invited to submit written data, views, or arguments on this proposal. A report of the system changes has been sent to Congress and to the Office of Management and Budget for their evaluation.

USPS Privacy Act system 140.020 was last published in its entirety in the **Federal Register** on October 26, 1989 (54 FR 43701) and was amended on May 12, 1997 (62 FR 25980-25981). It is proposed that the system description be amended as follows:

#### USPS 140.020

##### SYSTEM NAME:

[CHANGE TO READ:]

Postage—Postage Evidencing System Records, 140.020.

##### SYSTEM LOCATION:

[CHANGE TO READ:]

Retail, Postal Service Headquarters; District offices; the Information Systems

Support Center, Eagan, MN; and authorized postage evidencing system service providers.

##### CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

[CHANGE TO READ:]

Postage Evidencing System users.

##### CATEGORIES OF RECORDS IN THE SYSTEM:

[CHANGE TO READ:]

Customer name and address, change of address information, corporate business customer information (CBCIS) number, business profile information, estimated annual postage and annual percentage of mail by type, type of usage (customer, postal, or government), post office where mail is entered, license number, date of issuance, ascending and descending register values, device identification number, device model number, certificate serial number, amount and date of postage purchases, amount of unused postage refunded, contact telephone number, date, destination delivery point (ZIP+4) and rate category of each indicium created, and transaction documents.

\* \* \* \* \*

##### PURPOSE(S):

[CHANGE TO READ:]

To enable responsible administration of postage evidencing system activities and, secondarily, to provide information about postal products and services to customers who use postage evidencing systems.

##### ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

\* \* \* \* \*

2. [CHANGE TO READ:]

Records or information from this system may be disclosed to an authorized postage evidencing system service provider or its affiliates, dealers, subsidiaries, or franchises for administering the postage evidencing system program. Release will be limited to relevant information about that service provider's customers only.

##### POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

\* \* \* \* \*

##### RETRIEVABILITY:

[CHANGE TO READ:]

By customer name and by numeric file of postage evidencing systems identification number or customer license number.

##### SAFEGUARDS:

[CHANGE TO READ:]

Paper records and computer storage media are maintained in closed file

cabinets in secured facilities; automated records are protected by computer password. Information is obtained from users over the Internet and transmitted electronically to the Postal Service by authorized postage evidencing system service providers in a "secure session" established by the Secure Sockets Layer (SSL) or equivalent technology.

##### RETENTION AND DISPOSAL:

[CHANGE TO READ:]

Records are maintained for a period of up to four years after final entry or the duration of the license and then destroyed by shredding.

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##### NOTIFICATION PROCEDURE:

[CHANGE TO READ:]

Individuals wanting to know whether information about them is maintained in this system of records must address inquiries in writing to: Manager, Metering Technology Management, United States Postal Service, 475 L'Enfant Plaza SW, Room 8430, Washington, DC 20260-2444. When making this request, an individual must supply the license number and his or her name as it appears on the postage evidencing system license.

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##### RECORD SOURCE CATEGORIES:

[CHANGE TO READ:]

License applications, licenses, postal officials administering postage evidencing systems, postage evidencing system activity reports, refund requests for unused postage, postage evidencing system resetting reports, log file entries, and authorized service providers of postage evidencing systems.

Stanley F. Mires,

Chief Counsel, Legislative.

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## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24220; File No. 812-11818]

### IDS Life Insurance Company, et al.

December 23, 1999.

**AGENCY:** Securities and Exchange Commission (the "Commission" or "SEC").

**ACTION:** Notice of Application for an order under Section 6(c) of the Investment Company Act of 1940 (the "1940 Act") granting exemptions from the provisions of Sections 2(a)(32), 22(c), and 27(i)(2)(A) of the 1940 Act and Rule 22c-1 thereunder to permit the recapture of credits applied to