

this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent the fire warning from terminating prematurely, which could result in an unnoticed, uncontained engine/auxiliary power unit (APU) fire, accomplish the following:

Modifications

(a) Within 12 months after the effective date of this AD, accomplish the wiring modifications for the engine and APU fire detection system in accordance with Airbus Service Bulletin A300-26-6038, Revision 03, dated March 30, 2000 (for Model A300-600 series airplanes); or A310-26-2024, Revision 06, dated March 31, 2000 (for Model A310 series airplanes); as applicable.

Note 2: Accomplishment of the wiring modifications prior to the effective date of this AD in accordance with Airbus Service Bulletin A300-26-6038, Revision 02, dated November 9, 1999, is considered acceptable for compliance with the applicable actions specified in this AD.

Alternative Method of Compliance

(b)(1) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, International Branch, ANM-116.

(2) Alternative methods of compliance, approved previously in accordance with AD 99-27-10, are approved as alternative methods of compliance with paragraph (a) of this AD.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM-116.

Special Flight Permits

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Note 4: The subject of this AD is addressed in French airworthiness directive 1999-238-286(B) R2, dated May 17, 2000.

Issued in Renton, Washington, on July 25, 2000.

Donald L. Riggins,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
[FR Doc. 00-19265 Filed 8-1-00; 8:45 am]

BILLING CODE 4910-13-U

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 342

[Docket No. RM00-11-000]

Five-Year Review of Oil Pipeline Pricing Index; Notice of Inquiry

July 27, 2000.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of inquiry.

SUMMARY: The Federal Energy Regulatory Commission (Commission) is issuing this Notice of Inquiry to seek comments on its five-year review of the oil pricing index, established in Order No. 561, Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992, FERC Stats. & Regs. [Regs. Preambles, 1991-1996] ¶ 30,985 (1993). Specifically, the Commission is seeking comments on the adequacy of the Producer Price Index for Finished Goods minus one percent as an index to measure actual cost changes in the oil pipeline industry.

DATES: Written comments must be received by the Commission by September 1, 2000. Reply comments must be received by the Commission 30 days after the filing date for initial comments.

ADDRESSES: Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426.

FOR FURTHER INFORMATION CONTACT: Harris S. Wood, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, (202) 208-0224.

SUPPLEMENTARY INFORMATION: In this notice of inquiry (NOI), the Federal Energy Regulatory Commission (Commission) presents an opportunity for comments regarding its five-year review of the oil pricing index, established in Order No. 561.¹ Specifically, the Commission has undertaken a review of the effectiveness of the change in the Producer Price Index for Finished Goods, expressed as a percent, minus one percent (PPI-1)²

¹ Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act, FERC Stats. & Regs. [Regs. Preambles, 1991-1996] ¶ 30,985 (1993), 58 F.R. 58753 (Nov. 4, 1993); *order on reh'g*, Order No. 561-A, FERC Stats. & Regs. [Regs. Preambles, 1991-1996] ¶ 31,000 (1994), 59 F.R. 40243 (Aug. 8, 1994), *affirmed*, *Association of Oil Pipelines v. FERC*, 83 F.3d 1424 (D.C. Cir. 1996).

² The PPI represents the Producer Price Index for Finished Goods, also written PPI-FG. The PPI-FG

as an index to measure actual cost changes in the oil pipeline industry, and welcomes comments on the result of that review. The annual percentage change in the PPI-1 Index is applied to the prior year's ceiling level for oil pipeline rates to derive the current year's ceiling rate.

I. Background

Oil pipelines have been subject to rate regulation under the Interstate Commerce Act (ICA)³ since the enactment of the Hepburn Act in 1906.⁴ From the enactment of the Hepburn Act until jurisdiction over oil pipeline rates was transferred from the Interstate Commerce Commission to the Commission in 1977,⁵ oil pipeline rates were fixed according to a cost-of-service methodology grounded upon use of a valuation rate base—a mixture of original and replacement costs, or a “fair value” methodology. The Commission was required to utilize for oil pipeline ratemaking the ICA as it existed on October 1, 1977. The first adjudicated case decided by the Commission under the ICA was the Williams Pipe Line case, which resulted in the issuance of Opinion No. 154-B in 1985.⁶ Opinion No. 154-B established a fairly traditional cost-of-service methodology for determining oil pipeline rates. This methodology used a trended original cost rate base, and a rate of return based on the actual embedded debt cost and equity costs reflecting the pipeline's risks. This Opinion No. 154-B methodology became the standard methodology for setting oil pipeline rates under the ICA.

Adjudicated proceedings for oil pipelines, though few in number, were long, complicated and costly, and required considerable expenditure of participants' time and resources, including those of the Commission.⁷ As a result, Congress, in the Energy Policy

is determined and issued by the Bureau of Labor Statistics, U.S. Department of Labor. Pursuant to 18 CFR Section 342.3(d)(2), “The index will be calculated by dividing the PPI-FG for the calendar year immediately preceding the index year by the previous calendar year's PPI-FG, and then subtracting 0.01.” Multiplying the rate ceiling on June 30 of the index year by the resulting number gives the rate ceiling for the year beginning the next day, July 1.

³ 49 U.S.C. app. 1 (1988).

⁴ Pub. L. No. 59-337, 34 Stat.584.

⁵ Jurisdiction over oil pipeline rates was transferred to the Commission pursuant to the Department of Energy Organization Act of 1977, 42 U.S.C. 7101.

⁶ Williams Pipe Line Co. 31 FERC ¶ 61,377 (1985).

⁷ The Williams case, which culminated in Opinion No. 154-B, took fourteen years to resolve, although some of the time was attributable to the transfer of jurisdiction of oil pipelines to the Commission from the Interstate Commerce Commission.

Energy Policy Act (Energy Policy Act),⁸ required the Commission to establish a "simplified and generally applicable" ratemaking methodology for oil pipelines, consistent with the just and reasonable standard of the ICA. On October 22, 1993, the Commission issued Order No. 561 (final rule), promulgating regulations pertaining to the Commission's jurisdiction over oil pipelines under the ICA, and to fulfill the requirements of the Energy Policy Act. In so doing, the Commission found that using an indexing methodology to regulate oil pipeline rate changes, accompanied with certain alternative rate-changing methodologies where either the pipeline or the shipper could justify departure from the indexing methodology, would satisfy both the mandate of Congress and comply with the requirements of the ICA.

The final rule reflects the Commission's compliance with the mandate of Congress.⁹ The final rule, in accordance with section 1801 of the Energy Policy Act, provided a "simplified and generally applicable" approach to changing just and reasonable rates through use of an index system to establish ceiling levels for such rates. The indexing methodology adopted in the final rule was designed to fulfill both the simplification directive of the Energy Policy Act and the just and reasonable standard of the ICA. The Commission found that the indexing methodology adopted in the final rule would simplify, and thereby expedite, the process of changing rates by allowing, as a general rule, such changes to be made in accordance with a generally applicable index, and that it would ensure compliance with the just and reasonable standard of the ICA by subjecting the chosen index to periodic monitoring and, if necessary, adjustment.

In determining which index to use, the Commission obtained the views of interested parties on its proposal to change its ratemaking methodology for oil pipelines. After extensive analysis of various suggested indices, the Commission adopted the PPI-1 index for the purpose of allowing oil pipelines to change rates without making a cost-of-service filing. This index was chosen over others considered because it comes

the closest to tracking the historical changes in actual costs as reported in FERC Form No. 6. The Commission publishes the final annual change in the PPI-FG expressed as a percent minus one percent after the final PPI-FG is available in May of each calendar year. Pipelines are required to calculate the new ceiling level applicable to their indexed rates, and if the rates being charged by a pipeline exceed the new ceiling level, the pipeline must file to reduce the rates to a level not exceeding the new ceiling level. If the new ceiling level is higher than the rates being charged, the pipeline may file to increase such rates at any time in the index year to which the new level is applicable.

The Commission determined that the cost changes experienced by oil pipelines, which essentially do business at the wholesale level, had more closely resembled the cost changes experienced by producers of finished goods than by the economy as a whole, and that they would likely continue to do so in the future. Therefore, on a broad conceptual basis, the Commission determined that the PPI-FG is an appropriate choice for an oil pipeline industry-wide index.¹⁰ Based on the evidence of record, the Commission determined that a modification of that index to include the "minus one percent" factor, or PPI-1, was the index that most closely approximated the reported costs of oil pipelines.¹¹

Further, the Commission found that application of the index of the change in the PPI-1 to the whole rate, rather than applying the index to specific components of a rate, would, in addition to tracking economy-wide cost changes closely, obviate the need to incur the additional regulatory work and unintended consequences involved in breaking down rates to adjust some components and not adjust others.

The Commission stated in the final rule that the selection of the PPI-1 was not necessarily a choice for all time. The Commission recognized that its responsibilities under the ICA, to both shippers and pipelines, required it to monitor the relationship between the change in the PPI-1 Index and the actual cost changes experienced by the industry. The Commission undertook to review the effectiveness of the index every five years. This is the first of such reviews. The Commission stated that it would use the Form No. 6 information

for this purpose. Staff's review is reflected in this NOI.

II. Review of PPI-1 Index and Oil Pipeline Industry Costs

The Commission requested that Staff review the change in the PPI-1 index as an effective means of tracking the historical changes in industry costs.¹² The PPI-1 index went into effect on January 1, 1995.¹³ This section reviews industry cost experience with PPI-1 index for the period indexing has been in effect and for which data are available—January 1, 1995 through December 31, 1999.

According to Staff, this review compares the change in industry-wide operating costs with the change in the PPI-1 index during 1995–1999. Staff began by calculating the industry-wide annual operating costs per barrel mile from FERC Form No. 6 data and the year-to-year percentage changes in those costs. Next, Staff compared the percentage changes in the PPI-1 index¹⁴ with the percentage changes in industry costs. This step is necessary because the newly published index is applied to the period from July through the following June, whereas the FERC Form No. 6 data are reported on a calendar year basis. Finally, Staff compared the annual changes in the PPI-1 index with the annual changes in industry-wide operating costs per barrel mile.

In this review Staff used the industry-wide annual operating cost per barrel mile as the primary measure of industry costs. Staff used operating costs as reported by pipelines in FERC Form No. 6¹⁵ as the most appropriate single measure because these costs include both operating expenses incurred during in the relevant year and charges for amortization and depreciation for that year.¹⁶ Staff divided these costs by

¹² Order No. 561 at p. 30,952.

¹³ Staff calculated the initial change in the PPI-1 using the PPI figures for 1992 and 1993. These are the most recent final figures for the PPI available prior to January 1, 1995, when the index was first applied. The index is updated each year when the final PPI figures become available (usually mid-May), to be applied to rates for the period from July to the following June. Thus, for example, the PPI-1 index calculated and published in May 2000 applies to rates effective from July 1, 2000 to June 30, 2001.

¹⁴ The PPI-1 index is adjusted to a calendar year basis. See Table 2, column 5, *infra*.

¹⁵ Operating expenses were taken from Form No. 6, page 304, line 22, column m.

¹⁶ Form No. 6 data were obtained in electronic form from OPRI, a subsidiary of Research Data International (RDI), which in turn is owned by the Financial Times. OPRI receives FERC Form No. 6 data, puts them into a database and sells the database to the public. Staff compared these data with the data filed with the Commission. In preparation for this comparison, Staff conducted a

⁸ 42 U.S.C.A. 7172 note (West Supp. 1993). The Energy Policy Act "grandfathered" certain oil pipeline rates then in effect.

⁹ In the final rule, the Commission recognized that Congress deemed certain rates to be just and reasonable, thereby forming a baseline for many future oil pipeline rate changes and obviating future debate over the appropriateness of existing rates, many of which are based on valuation or trended original cost methodologies.

¹⁰ For a more detailed discussion, see Order No. 561-A, FERC Stats. and Regs. [Regs. Preambles] ¶ 31,000 (1994).

¹¹ Order No. 561, FERC Stats. & Regs. [Regs. Preambles] ¶ 30,985 at p. 30,951.

barrel miles shipped because the pipelines' rates, to which the PPI-1 index is applied, are stated in dollars per barrel mile.

For purposes of this review, Staff excluded the Trans Alaska Pipeline

System (TAPS) and those pipelines delivering oil directly or indirectly to TAPS.¹⁷ Staff used only companies whose reports included both barrel mile and total cost information in calculating

the overall average (these companies' reports comprised 99% of total reported costs for the period 1994 through 1999). Table 1 summarizes the industry cost data.

TABLE 1.—SUMMARY OF REPORTED COSTS FROM FERC FORM NO. 6, 1994 TO 1999

Year	Total Operating Costs Total Barrel Miles		Operating Cost (\$/Thousand Barrel Miles)
	(Million \$)	(Billions)	
1	2	3	4
1994	\$3,182	3,111	\$1.023
1995	3,176	3,125	1.016
1996	3,277	3,293	0.995
1997	3,375	3,267	1.033
1998	3,305	3,147	1.050
1999	3,139	3,150	0.997

The PPI-1 index is calculated and published each May when the final PPI values become available and applied to the period from July of the same year to June of the following year. For any calendar year, rates from January 1 to June 30 are subject to the index published the previous year, and rates from July 1 to December 31 are subject

to the index published in that calendar year.

To compare how well the PPI-1 index tracks the costs, Staff constructed an index that applies to the specific period of the cost data, *i.e.*, to the calendar year of the reported information. Since each calendar year is affected by two PPI-1 indexes of six months' duration, Staff

calculated the calendar year PPI-1 index as the simple average of the two applicable PPI-1 indexes. Table 2 presents the results of this calculation PPI and the calculation of the calendar year changes in the PPI-1 index to be applied to changes in the FERC Form No. 6 cost information.

TABLE 2.—CALCULATION OF PPI-1 INDEX FOR COMPARISON WITH FERC FORM NO. 6 COSTS

Year	PPI(FG)	Percent change in PPI(FG)	Percent change in PPI-1	Percent change in PPI-1 for calendar year
1	2	3	4	5
1992	123.2
1993	124.7
1994	125.5	1.22	0.22
1995	127.9	0.64	-0.36	-0.07
1996	131.3	1.91	0.91	0.28
1997	131.8	2.66	1.66	1.29
1998	130.7	0.38	-0.62	0.52
1999	133.0	-0.83	-1.83	-1.23

Notes: Column 3 is computed by taking column 2 for the immediately prior year minus column 2 for the second prior year divided by the latter number. For example, (124.7-123.2)/123.2=.0122=1.22%. Subtracting 1 from column 3 gives column 4.

Column 4 contains the number by which a pipeline's rate ceiling on June 30 of a particular year is changed to determine its rate ceiling for the year beginning July 1 of that year.

Column 5 is calculated by taking one-half of column 4 for the prior year plus one-half of column 4 for the current

year. For example, (0.22/2)+(-0.36/2)=0.11-0.18=-0.07. In summary, column 5 converts the July-June year corresponding to the index's application to the calendar year so it can be compared to Form No. 6 cost data.

Table 3 compares the percentage changes in the PPI-1 index and industry operating costs for the period 1995 through 1999. Year-to-year differences in the index and costs are to be expected, since the period used for the index lags the reporting period by up to 18 months. Staff compared an average of percentage changes in the index to

percentage changes in industry-wide costs over a five-year period, which reduces the influence of year-to-year fluctuations and enables us to better evaluate the five-year relationship between the index and industry-wide costs. Over the entire period, the PPI-1 index averaged small, positive changes (0.16%) while the industry costs averaged small, negative changes (-0.47%). Thus, for the five-year

comprehensive review of operating cost data for the period 1990 to 1997 and a selected review of cost per barrel mile data to identify apparently

anomalous values in cost per barrel mile figures. See Appendix A for a listing of the corrections staff made to the OPRI data.

¹⁷ 18 CFR Section 342.0 (b).

period, the differences between the index and the costs are relatively small.

TABLE 3.—COMPARISON OF YEAR-TO-YEAR CHANGES IN OPERATING COSTS PER BARREL MILE AND PPI-1 INDEX

Year	Percent change in PPI-1 index	Percent change in operating costs per barrel mile
1	2	3
1995	-0.07	-0.68
1996	0.28	-2.07
1997	1.29	3.82
1998	0.52	1.65
1999	-1.23	-5.05
Average, 1995-1999	0.16	-0.47

Notes: Column 2 is column 5 of Table 2.

Column 3 is computed from data in Table 1, column 4, current year minus column 4, prior year divided by the latter number. For example, $(\$1.016 - \$1.023) / \$1.023 = -0.0068 = -0.68\%$.

Based on the foregoing Staff review, it appears that the changes in the PPI-1 Index have closely approximated the changes in the reported cost data for the oil pipeline industry during the five-year period covered by this review.

III. Comment Procedures

The Commission invites interested persons to submit written comments on the matters and issues in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Upon evaluation of those comments, the Commission will determine what further action, if any, will be appropriate. The Commission intends to conclude any such further action by May 2001.

The original and 14 copies of such comments must be received by the Commission before 5 p.m. September 1, 2000. Comments should be submitted to the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington D.C. 20426 and should refer to Docket No. RM00-11-000.

In addition to filing paper copies, the Commission encourages the filing of comments either on computer diskette or via Internet E-Mail. Comments may be filed in the following formats:

WordPerfect 8.0 or below, MS Word Office 97 or lower version, or ASCII format.

For diskette filing, include the following information on the diskette label: Docket No. RM00-11-000; the name of the filing entity; the software and version used to create the file; and the name and telephone number of a contact person.

For Internet E-Mail submittal, comments should be submitted to "comment.rm@ferc.fed.us" in the following format. On the subject line, specify Docket No. RM00-11-000. In the body of the E-Mail message, include the name of the filing entity; the software and version used to create the file, and the name and telephone number of the contact person. Attach the comment to the E-Mail in one of the formats specified above. The Commission will send an automatic acknowledgment to the sender's E-Mail address upon receipt. Questions on electronic filing should be directed to Brooks Carter at 202-501-8145, E-Mail address brooks.carter@ferc.fed.us.

Commenters should take note that, until the Commission amends its rules and regulations, the paper copy of the filing remains the official copy of the document submitted. Therefore, any discrepancies between the paper filing and the electronic filing or the diskette will be resolved by reference to the paper filing.

All written comments will be placed in the Commission's public files and will be available for inspection in the Commission's Public Reference room at 888 First Street, N.E., Washington D.C. 20426, during regular business hours. Additionally, comments may be viewed, printed, or downloaded remotely via the Internet through FERC's Homepage using the RIMS or CIPS links. RIMS contains all comments but only those comments submitted in electronic format are available on CIPS. User assistance is available at 202-208-2222, or by E-Mail to rimsmaster@ferc.fed.us.

IV. Document Availability

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.fed.us>) and in FERC's Public Reference Room during normal business

hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington, DC 20426.

From FERC's Home Page on the Internet, this information is available in both the Commission Issuance Posting System (CIPS) and the Records and Information Management System (RIMS).

- CIPS provides access to the texts of formal documents issued by the Commission since November 14, 1994.
- CIPS can be accessed using the CIPS link or the Energy Information Online icon. The full text of this document is available on CIPS in ASCII and WordPerfect 8.0 format for viewing, printing, and/or downloading.
- RIMS contains images of documents submitted to and issued by the Commission after November 16, 1981. Documents from November 1995 to the present can be viewed and printed from FERC's Home Page using the RIMS link or the Energy Information Online icon. Descriptions of documents back to November 16, 1981, are also available from RIMS-on-the-Web; requests for copies of these and other older documents should be submitted to the Public Reference Room.

User assistance is available for RIMS, CIPS, and the Website during normal business hours from our Help line at (202) 208-2222 (E-Mail to WebMaster@ferc.fed.us) or the Public Reference at (202) 208-1371 (E-Mail to public.referenceroom@ferc.fed.us).

During normal business hours, documents can also be viewed and/or printed in FERC's Public Reference Room, where RIMS, CIPS, and the FERC Website are available. User assistance is also available.

By direction of the Commission.

David P. Boergers,
Secretary.

Appendix A

Below is a list of six instances in which the OPRI data were found to reflect barrel rather than barrel-mile information. In the first instance, Form No. 6 contained only barrel information, and as a result both the Total Cost and Barrel Mile information reported were removed from Staff's data set. In the five other instances, barrel-mile data were found in Form No. 6 and, as a result, the OPRI data were adjusted to reflect the barrel-mile rather than the barrel figures.

Company	Year	Barrel miles reported	
		OPRI	Form No. 6
1. American Petrofina Pl. Co.	1995	27,877,793	N/A
2. Calnev Pipe Line Company	1996	37,894,152	¹⁸ 8,367,187,000
3. Calnev Pipe Line Company	1997	39,018,728	¹⁹ 8,569,572,000
4. West Gulf Coast P.L. Co.	1999	22,057,426	²⁰ 22,057,425,363
5. Sun Pipe Line Company	1998	96,155,360	²¹ 14,695,314,496
6. Ashland Pipe Line LLC	1997	109,786,344	²² 91,327,743,733

¹⁸ See 1997 Form No. 6, page 700, col (c), line 4.
¹⁹ See 1997 Form No. 6, page 700, col (b), line 4.
²⁰ See 1999 Form No. 6, page 700, col (b), line 4.
²¹ See 1998 Form No. 6, page 700, col (b), line 4.
²² See 1997 Form No. 6, page 700, col (b), line 4.

[FR Doc. 00-19506 Filed 8-1-00; 8:45 am]
 BILLING CODE 6717-01-P

POSTAL SERVICE

39 CFR Part 111

Invalid Ancillary Service Endorsements

AGENCY: Postal Service.
ACTION: Proposed rule.

SUMMARY: This proposed rule would amend the Domestic Mail Manual to eliminate the transitional provisions for the handling of mail bearing invalid ancillary service endorsements. Under the proposal, the Postal Service may reject mail bearing invalid endorsements. Items bearing invalid or conflicting ancillary service endorsements that are found in the mailstream will be treated as unendorsed mail.

DATES: Comments must be received on or before September 1, 2000.

ADDRESSES: Written comments should be mailed or delivered to the Manager, Delivery Policies and Programs, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 7142, Washington, DC 20260-2802. Copies of all written comments will be available for inspection and photocopying at USPS Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor N, Washington, DC between 9 a.m. and 4 p.m., Monday through Friday. Comments may not be submitted via fax or email.

FOR FURTHER INFORMATION CONTACT: Jackie Estes, 202-268-3543.

SUPPLEMENTARY INFORMATION: In July 1997, the Postal Service simplified the endorsements for requesting ancillary services by eliminating the existing endorsements and substituting four choices: Address Service Requested, Change Service Requested, Forwarding Service Requested, and Return Service Requested (including Temp—Return

Service Requested, for use with First-Class Mail only).

As a transitional accommodation to mailers with stationery bearing the former endorsements, the Postal Service adopted Domestic Mail Manual (DMM) F030.1.2 to provide for the handling of mail bearing invalid endorsements. This mail was to be accepted and handled in accordance with a current valid endorsement, based on the expectations implied by the improper endorsement on the mail.

In view of the length of time since the adoption of the current endorsements, and to reduce the risk of confusion and error created by conflicting and obsolete endorsements, the Postal Service considers it appropriate to eliminate the transitional provision. Accordingly, it proposes to revise DMM F030.1.2 to provide ancillary services only in accordance with the valid endorsements shown in DMM F010. Mail bearing invalid or conflicting ancillary service endorsements will no longer be considered acceptable for mailing, and the Postal Service may refuse to accept this mail. If mail bearing invalid or conflicting endorsements is discovered in the mailstream, it will be handled as unendorsed mail. In the case of Standard Mail (B), "treatment as unendorsed mail" effectively means that it will be treated as if endorsed "Forwarding Service Requested." This provision recognizes that the general public (in contrast with business mailers) is unfamiliar with ancillary service endorsements, and ensures its packages will be delivered or returned.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (39 U.S.C 410 (a)), the Postal Service invites comments on the following proposed revisions to the Domestic Mail Manual, incorporated by reference in the Code of Federal Regulations. See 39 CFR part 111.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

PART 111—[AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 414, 3001-3011, 3201-3219, 3403-3406, 3621, 3626, 5001.

2. Revise the following section of the Domestic Mail Manual (DMM) as follows:

F Forwarding and Related Services

F000 Basic Services

* * * * *

F030 Address Correction, Address Change, FASTforward, and Return Services

1.0 ADDRESS CORRECTION SERVICE

* * * * *

1.2 Invalid Endorsement

Any obsolete ancillary service endorsement or similar sender endorsement not shown in F010 is considered invalid for address update service purposes. Material bearing invalid or conflicting ancillary service endorsements will not be accepted for mailing. If discovered in the mailstream, mail bearing an invalid ancillary service endorsement or conflicting endorsements is treated as unendorsed mail. Exception: Standard Mail (B) pieces that are unendorsed, or that bear invalid or conflicting ancillary service endorsements and are undeliverable, will be treated as if endorsed "Forwarding Service Requested."

An appropriate amendment to 39 CFR part 111 to reflect these changes will be published if the proposal is adopted.

Stanley F. Mires,
Chief Counsel, Legislative.

[FR Doc. 00-19576 Filed 8-1-00; 8:45 am]
 BILLING CODE 7710-12-U